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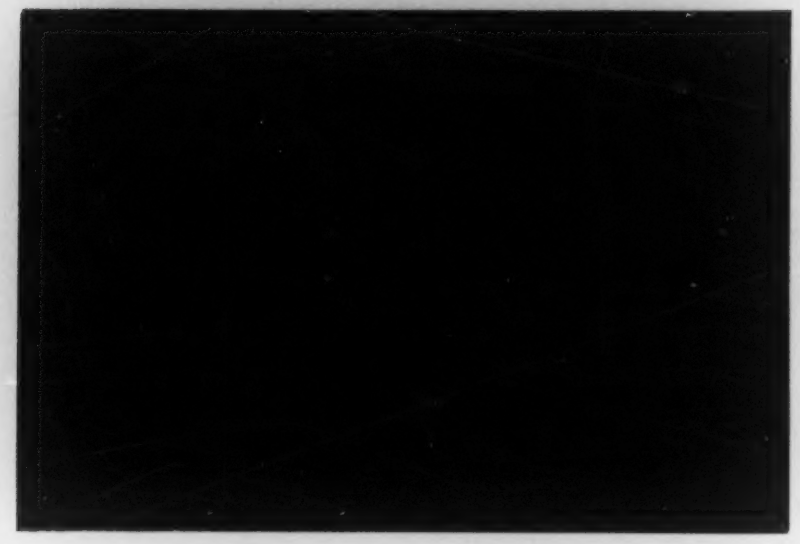
SURVEYS OF CONSUMERS



SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

DECEMBER 1988

The December 1988 survey was the 245th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT

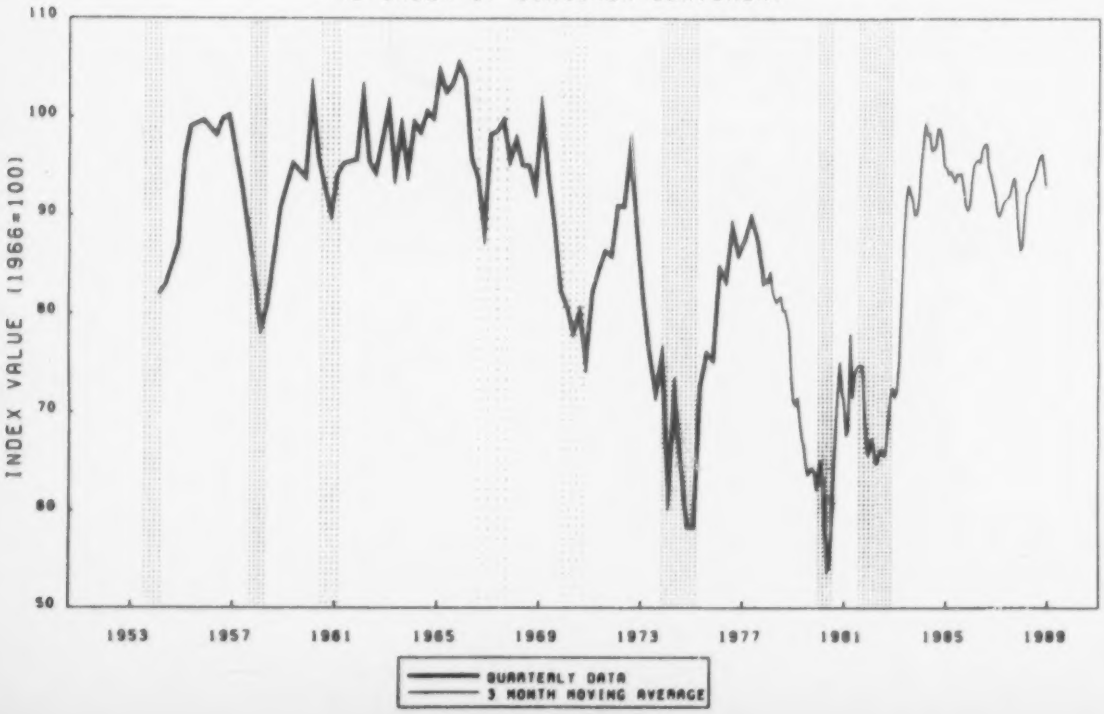


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

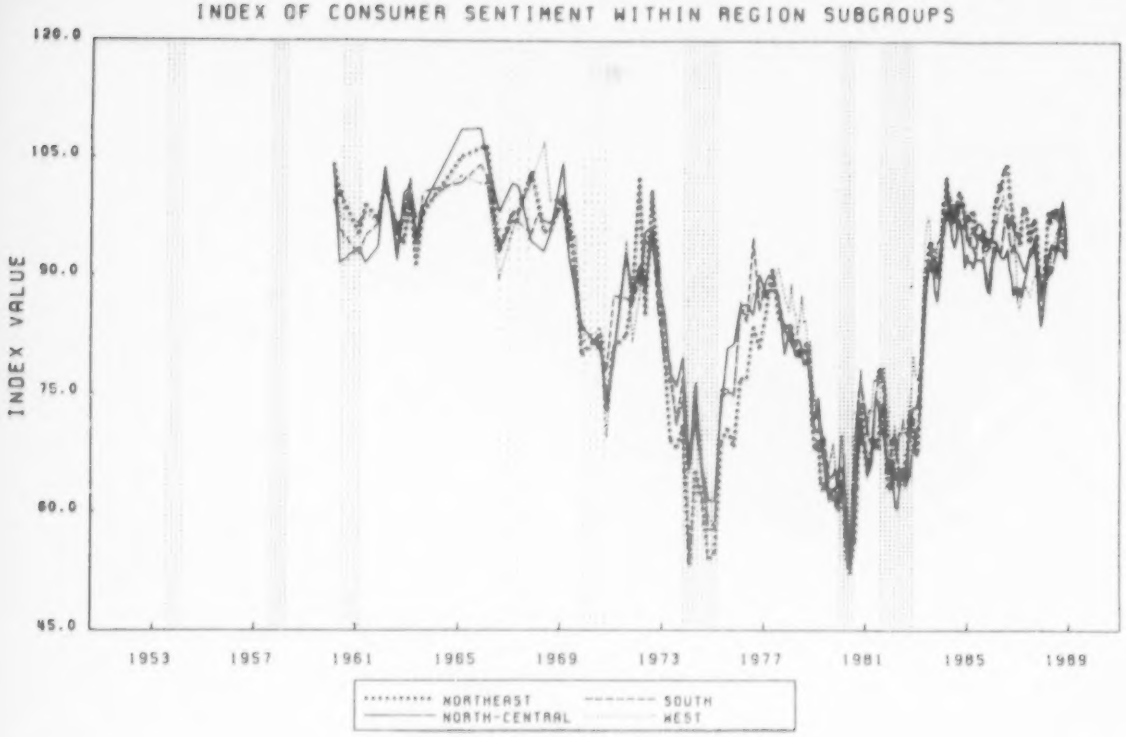


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

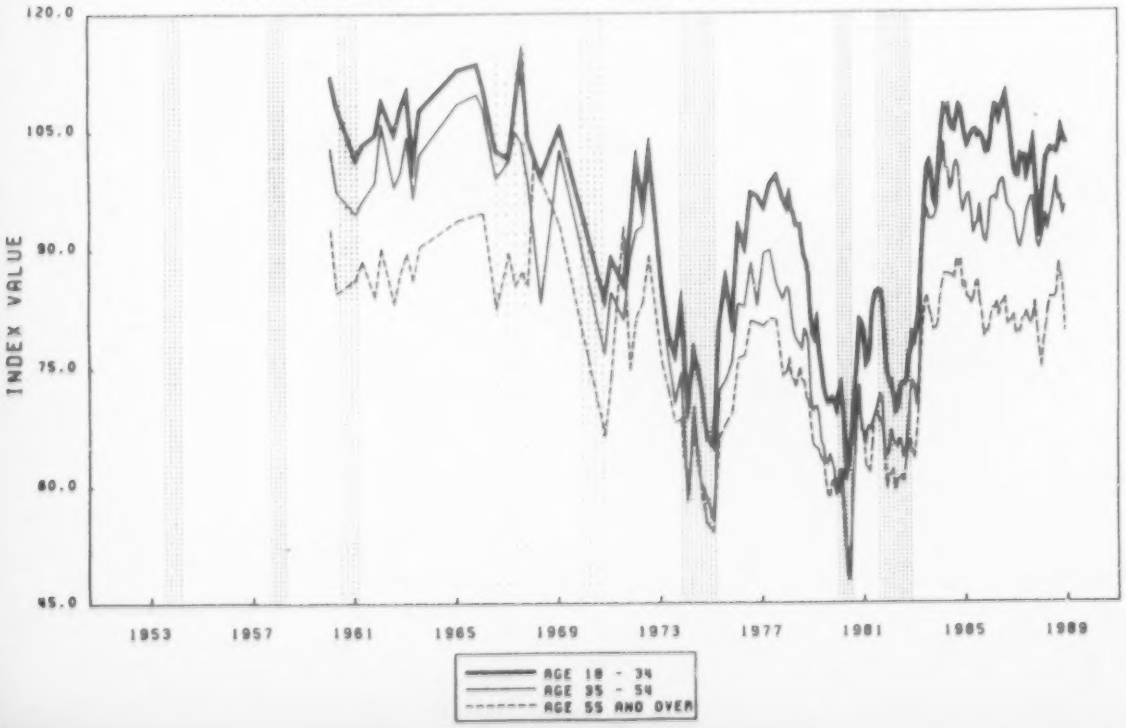


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

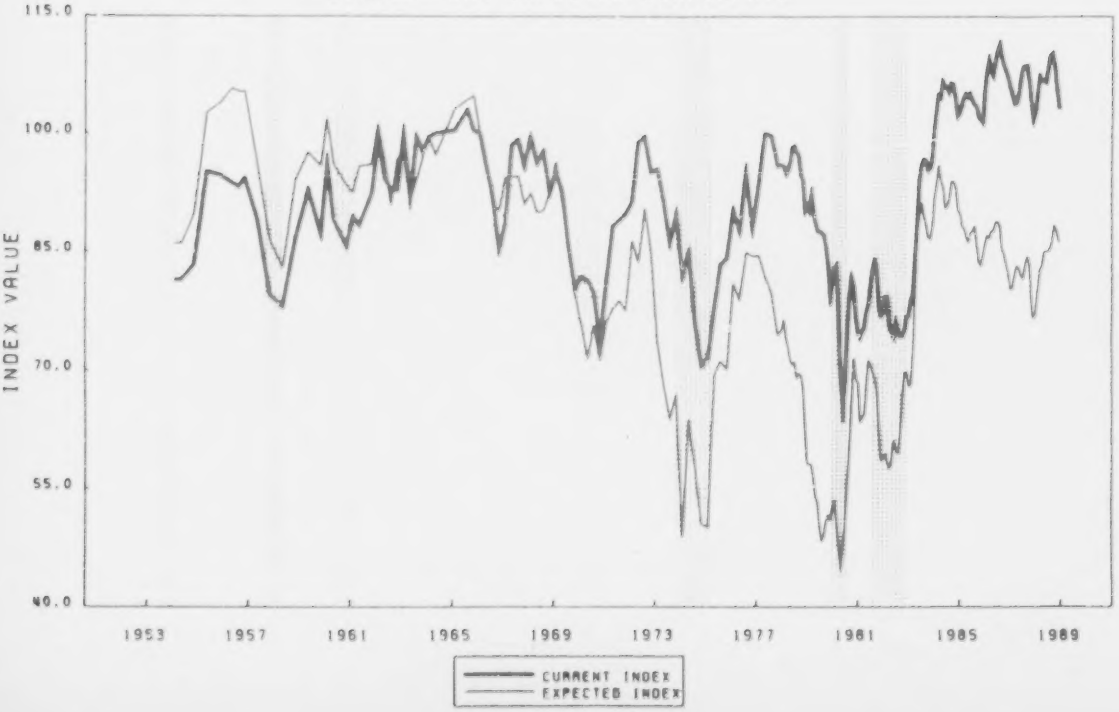


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5
October 1988	114	124	129	97	158	105.0	87.0
November 1988	112	128	122	97	156	103.3	86.3
December 1988	114	127	119	98	150	102.0	85.5

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

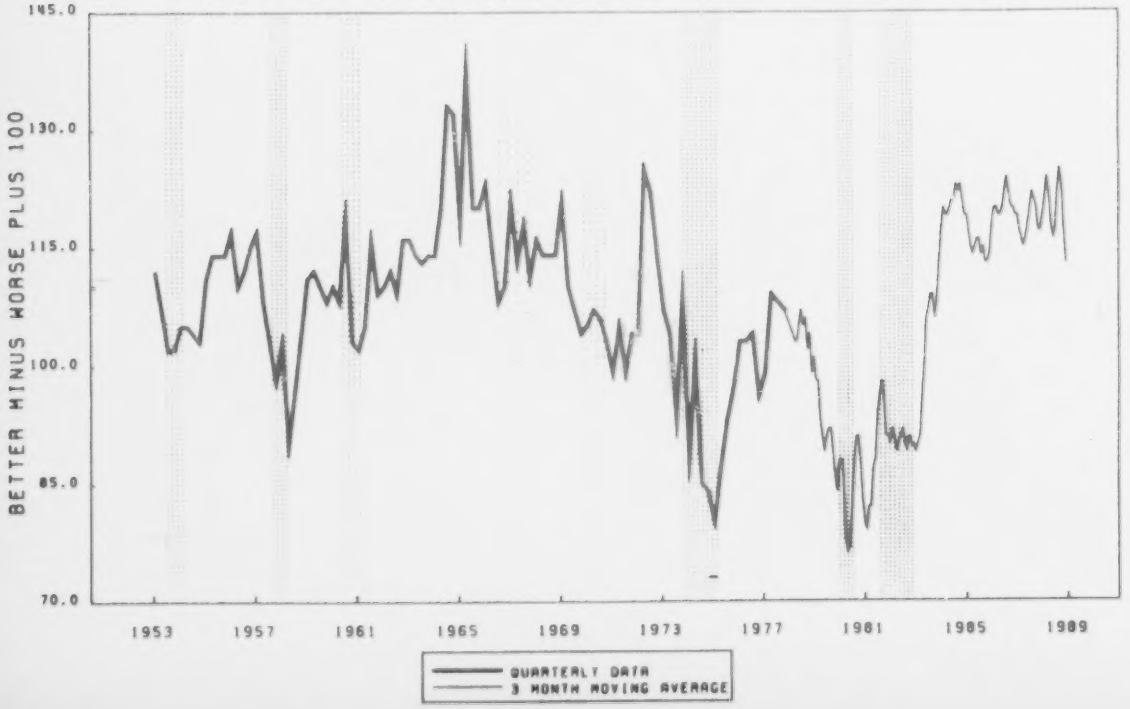


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER OFF	43%	46%	47%	49%	41%	40%	43%	45%	50%	49%	42%	41%	39%
SAME	33	29	27	29	34	31	32	29	26	28	30	30	36
WORSE OFF	24	24	25	22	24	29	24	25	23	22	28	29	25
DK,NA	*	1	1	*	1	*	1	1	1	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

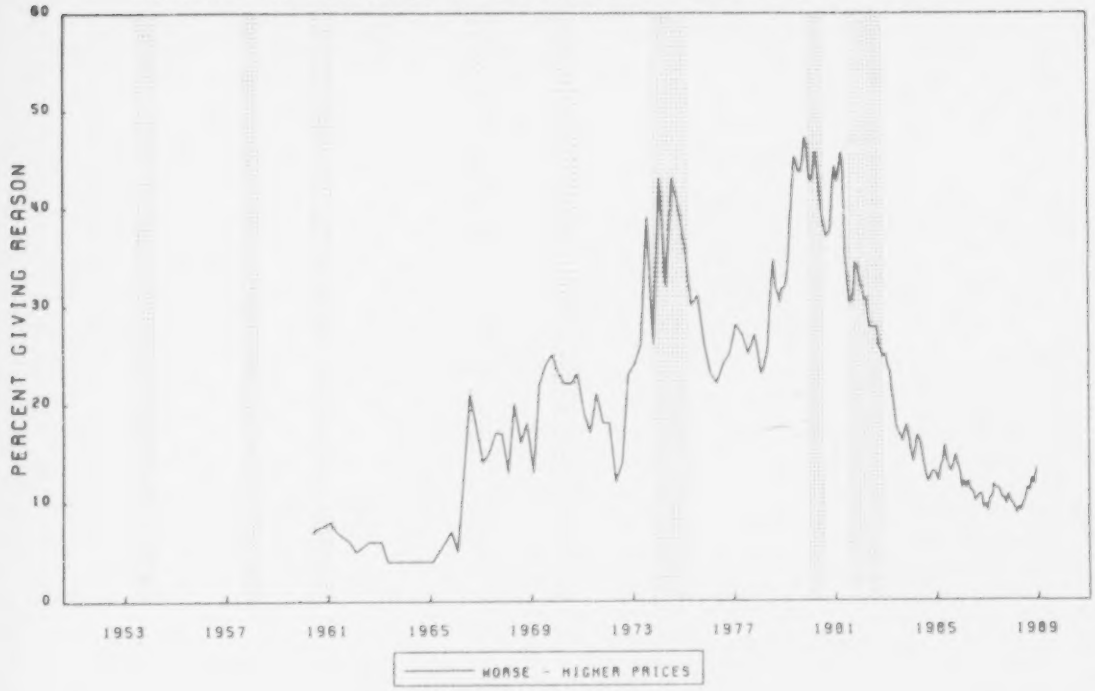


CHART 5B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

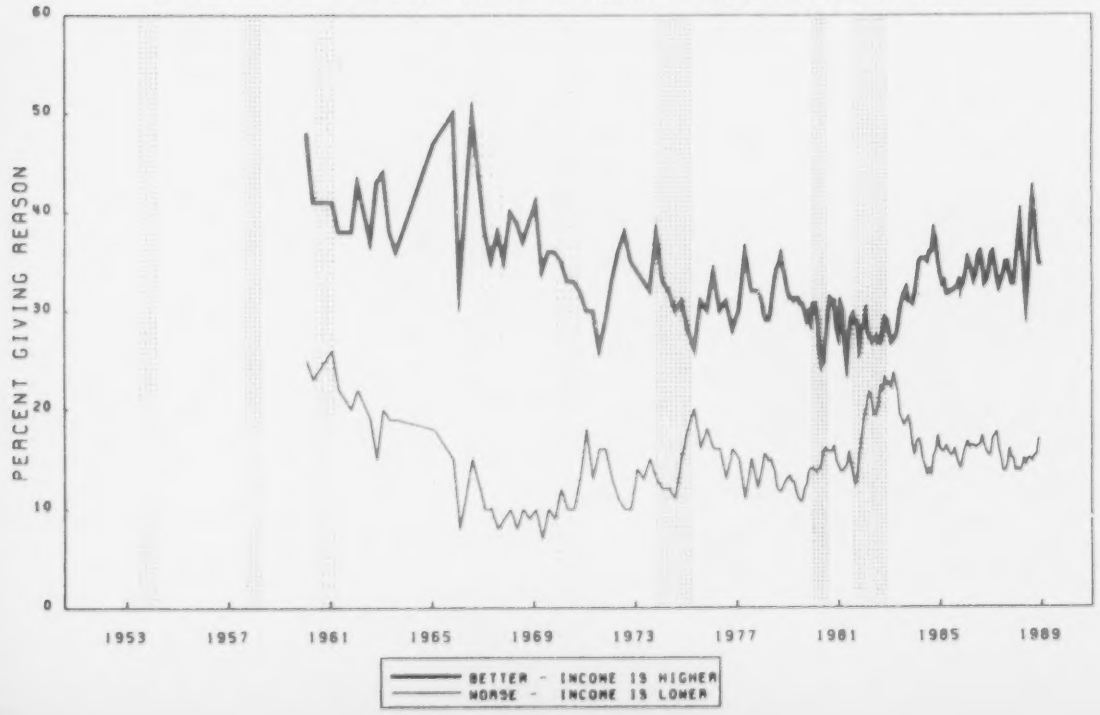


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	39%	39%	40%	30%	29%	32%	40%	45%	40%	34%	35%	**35%**
WORSE OFF THAN YEAR AGO:													
Income is lower	16	13	13	15	14	16	13	16	16	12	18	16	**17**
Higher prices	10	7	11	8	9	10	10	11	13	9	15	11	**14**

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

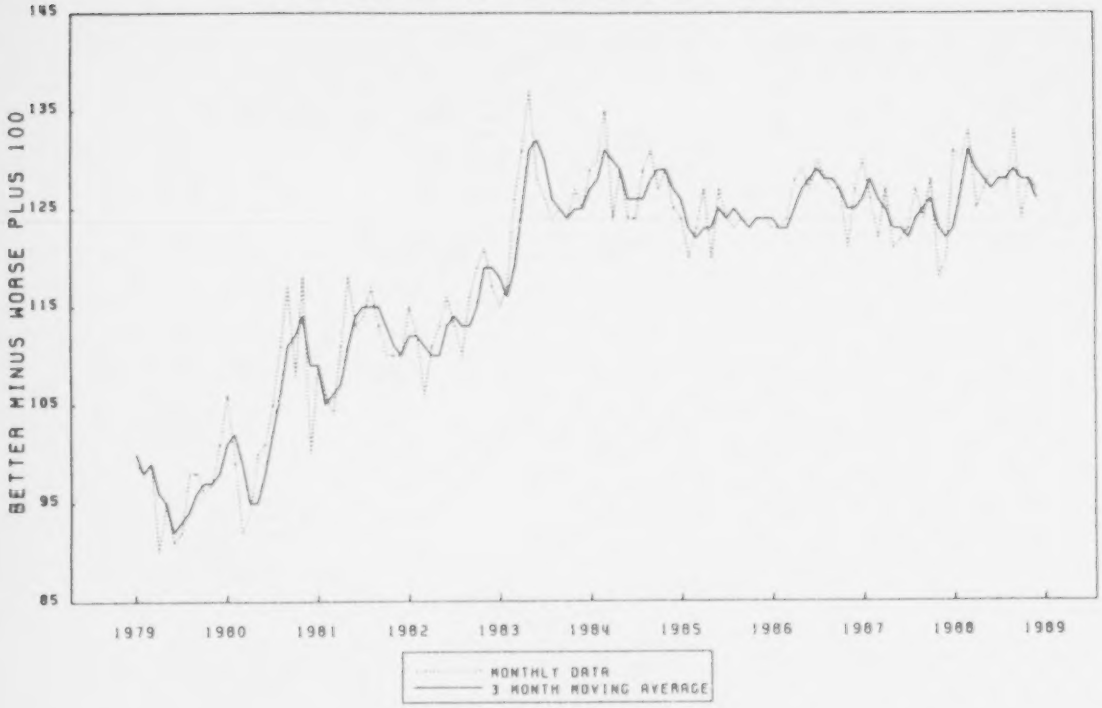


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

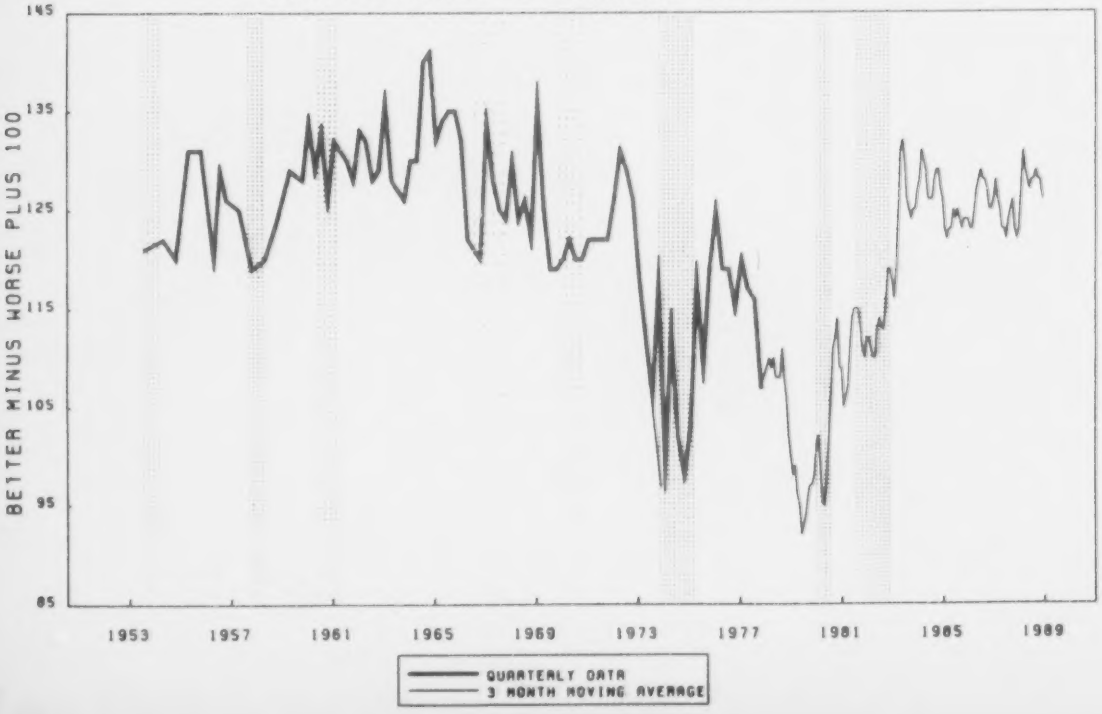


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER OFF	32%	38%	39%	39%	34%	36%	39%	38%	36%	41%	36%	37%	39%
SAME	51	53	48	52	54	52	48	48	49	47	48	49	46
WORSE OFF	12	7	9	6	9	9	10	10	9	8	12	9	12
DK,NA	5	2	4	3	3	3	3	4	6	4	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

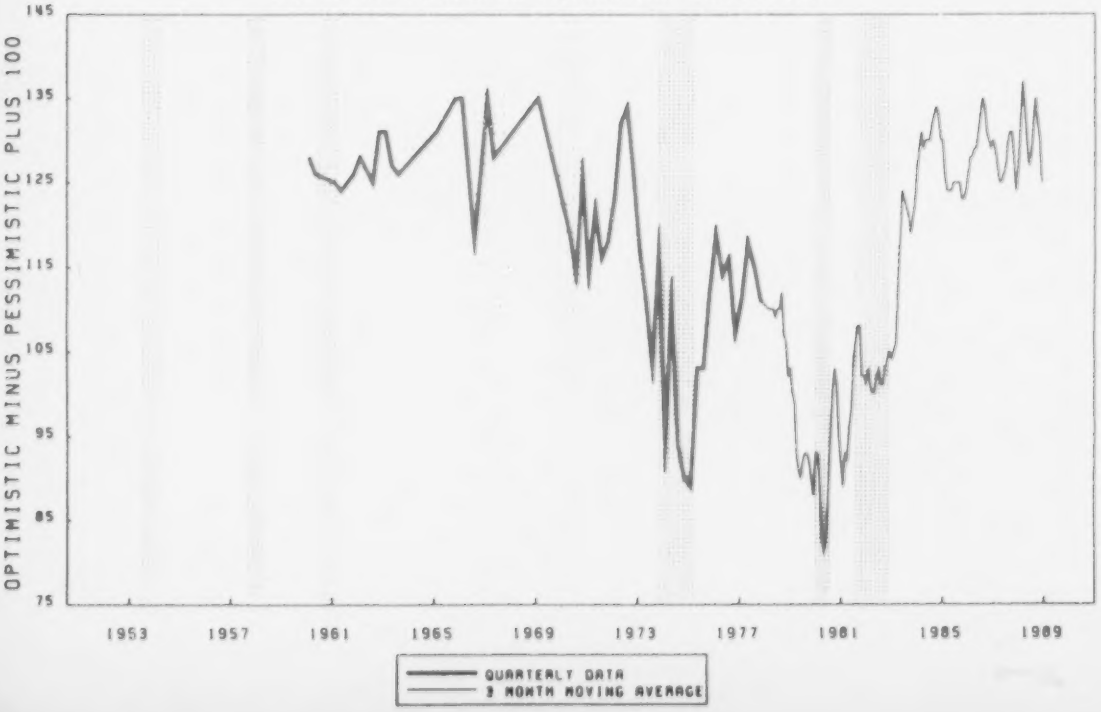


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	17%	21%	20%	25%	18%	19%	24%	19%	25%	25%	20%	21%	22%
Intermittant increase (b)	27	31	31	30	30	24	25	31	26	28	25	25	23
Remain unchanged (c)	19	19	15	17	20	21	19	16	16	17	18	18	20
Intermittant decline (d)	17	13	13	13	16	17	16	13	14	10	15	16	16
Continuous decline (e)	2	3	3	3	3	4	4	4	4	3	6	4	4
Mixed change (f)	13	11	13	9	9	13	9	13	8	12	11	11	11
DK,NA	5	2	5	3	4	2	3	4	7	5	5	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

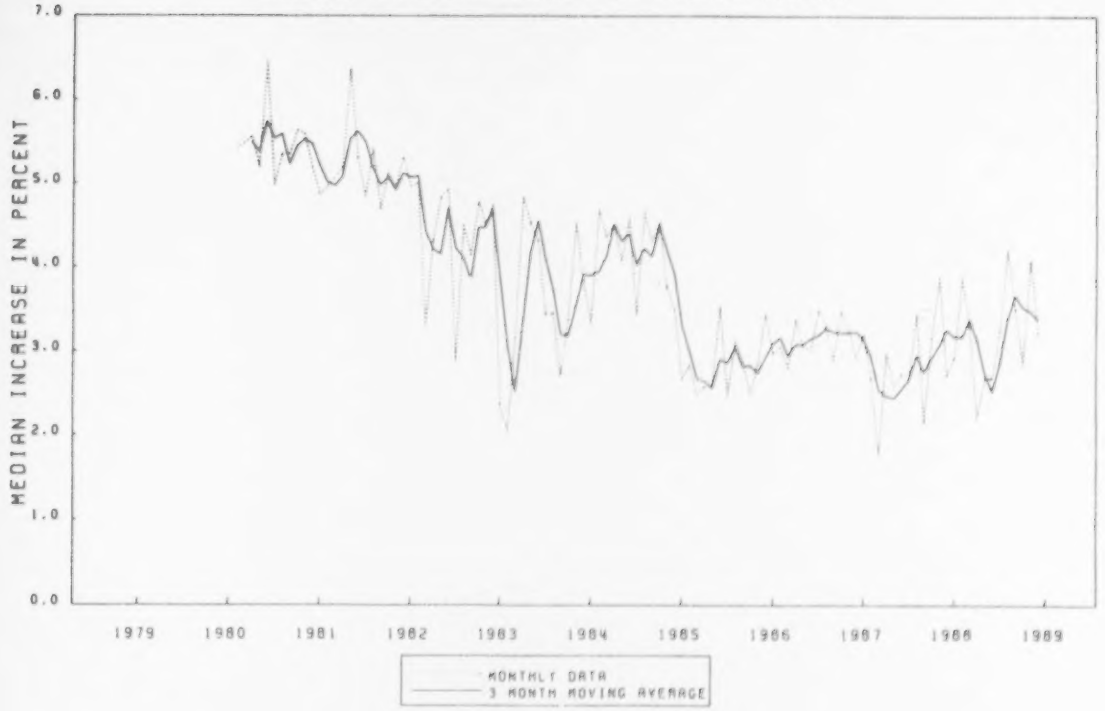


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

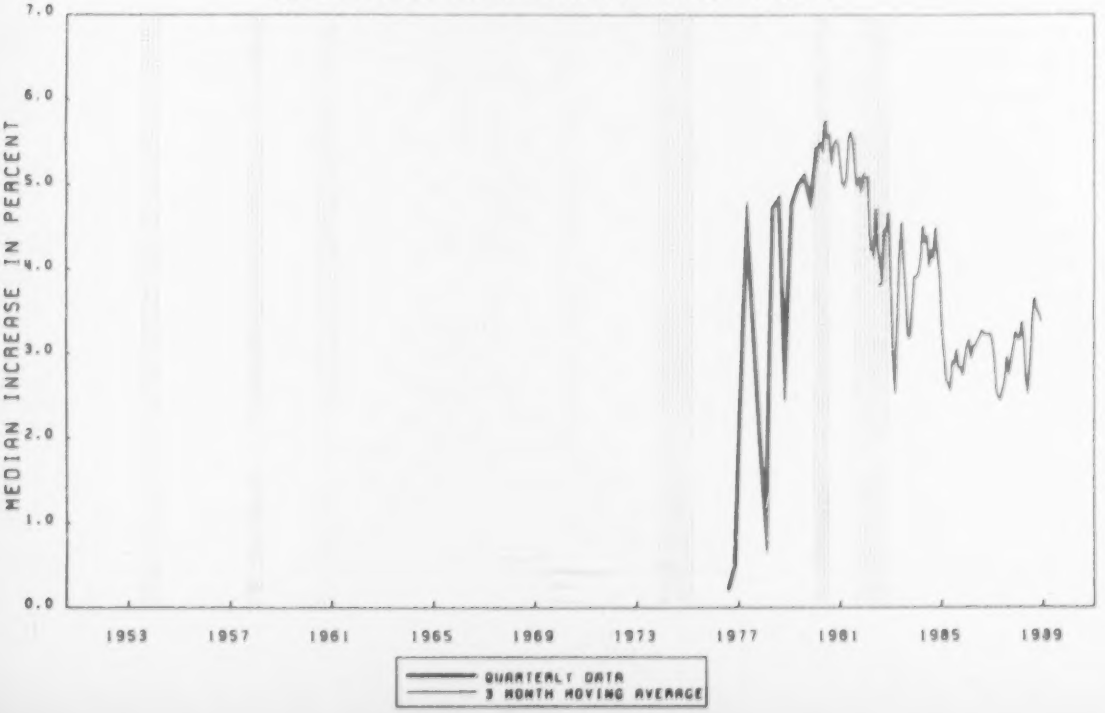


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
EXPECT INCREASE:													
1-4%	19%	18%	16%	16%	16%	15%	15%	18%	14%	16%	16%	18%	21%
5%	10	12	15	11	9	12	9	10	14	10	12	11	11
6-9%	8	7	8	7	6	7	7	10	9	8	6	9	7
10-24%	14	15	17	17	14	13	15	14	17	16	15	15	15
25% or more	4	6	5	7	6	9	6	7	5	8	6	7	6
DK how much up	3	4	2	2	6	2	5	5	6	6	5	7	4
EXPECT SAME	23	27	23	29	30	28	28	24	25	25	27	20	22
EXPECT DOWN	19	10	12	9	12	13	13	11	9	10	12	11	13
DK,NA	*	1	2	2	1	1	2	1	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 montns?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

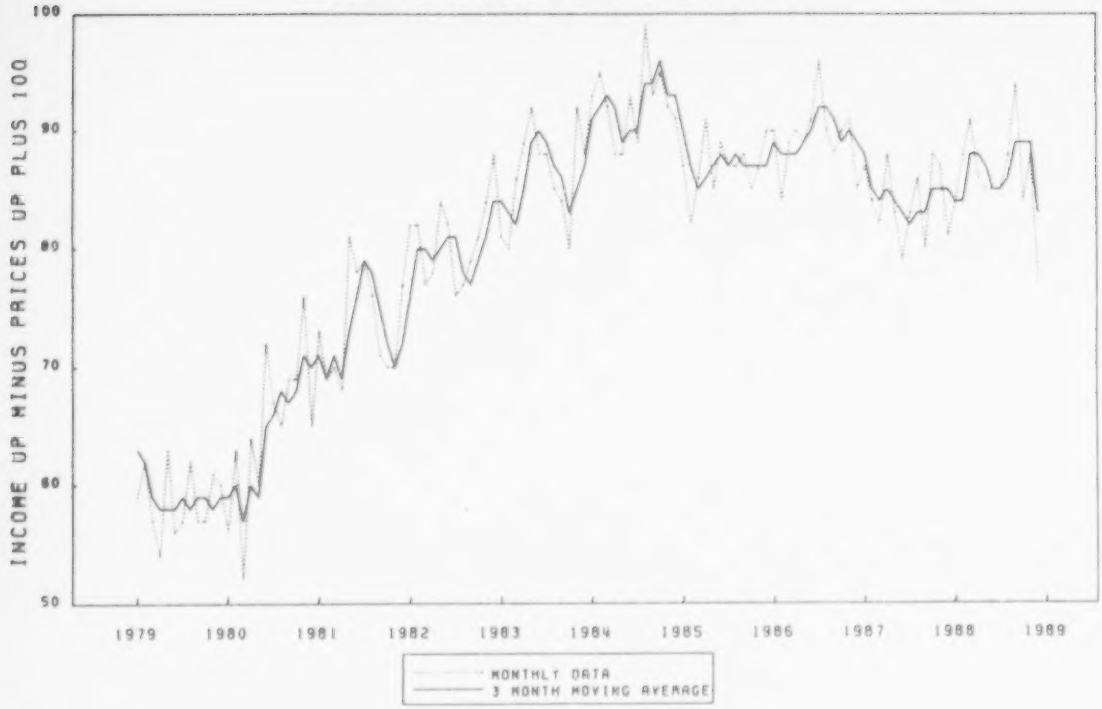


CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE NEXT YEAR

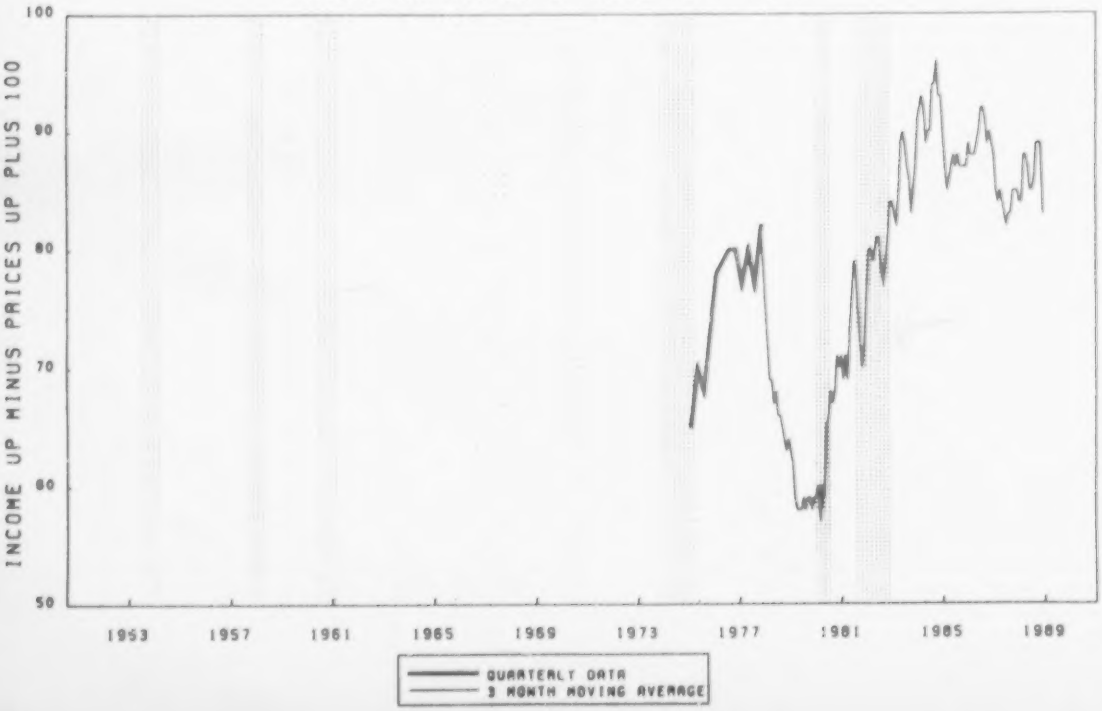


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
INCOME UP MORE	19%	19%	20%	22%	19%	19%	18%	19%	20%	25%	18%	21%	17%
INCOME UP SAME	41	44	45	44	47	44	46	46	43	41	46	43	41
PRICES UP MORE	38	35	32	31	33	34	33	34	32	31	34	33	40
DK,NA	2	2	3	3	1	3	3	1	5	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

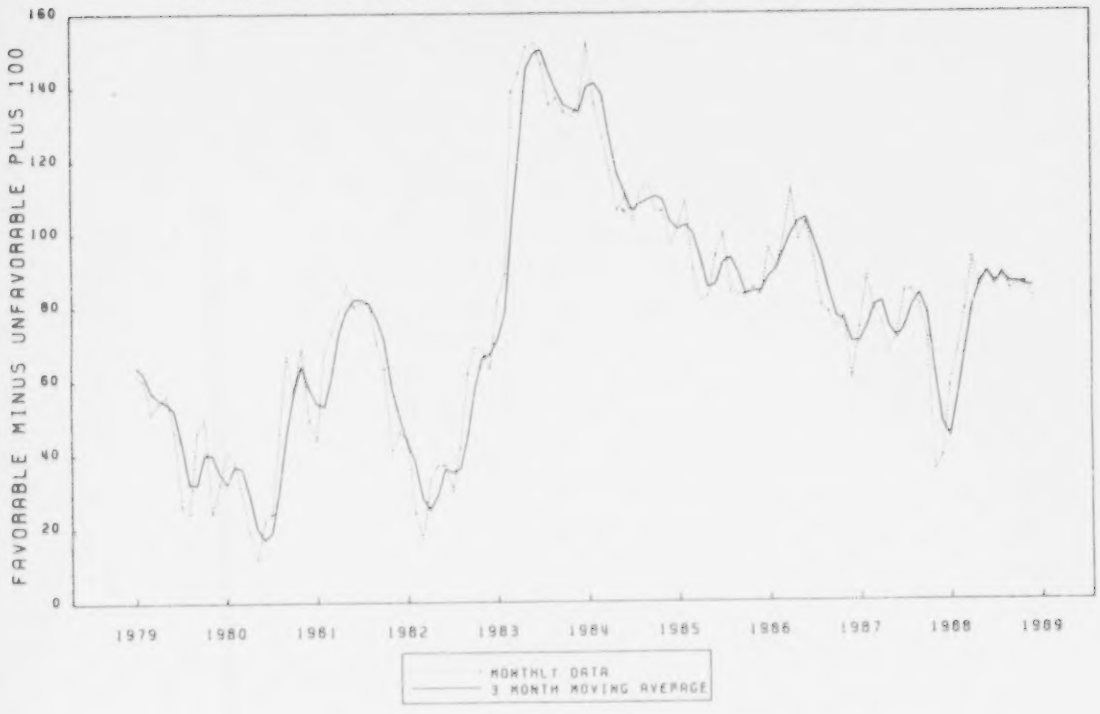


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

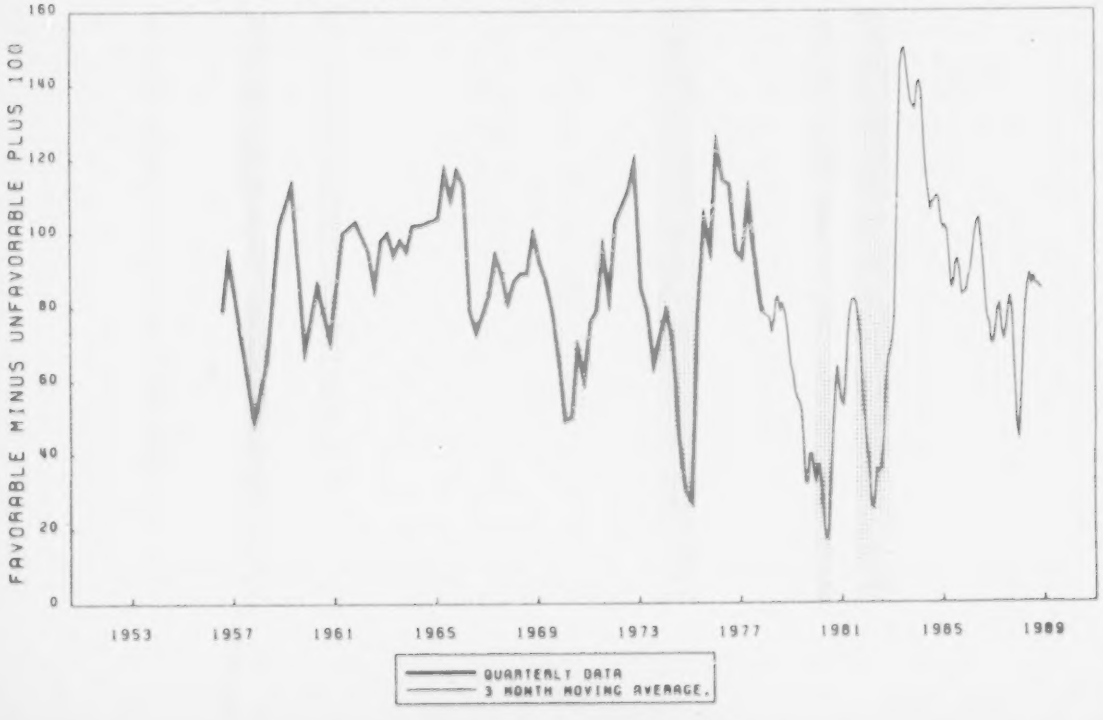


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
FAVORABLE NEWS	18%	23%	26%	29%	30%	33%	29%	29%	28%	32%	29%	25%	30%
UNFAVORABLE NEWS	79	65	58	50	37	48	40	44	39	48	43	39	48
NO MENTIONS	36	41	42	45	51	44	50	50	53	46	52	54	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

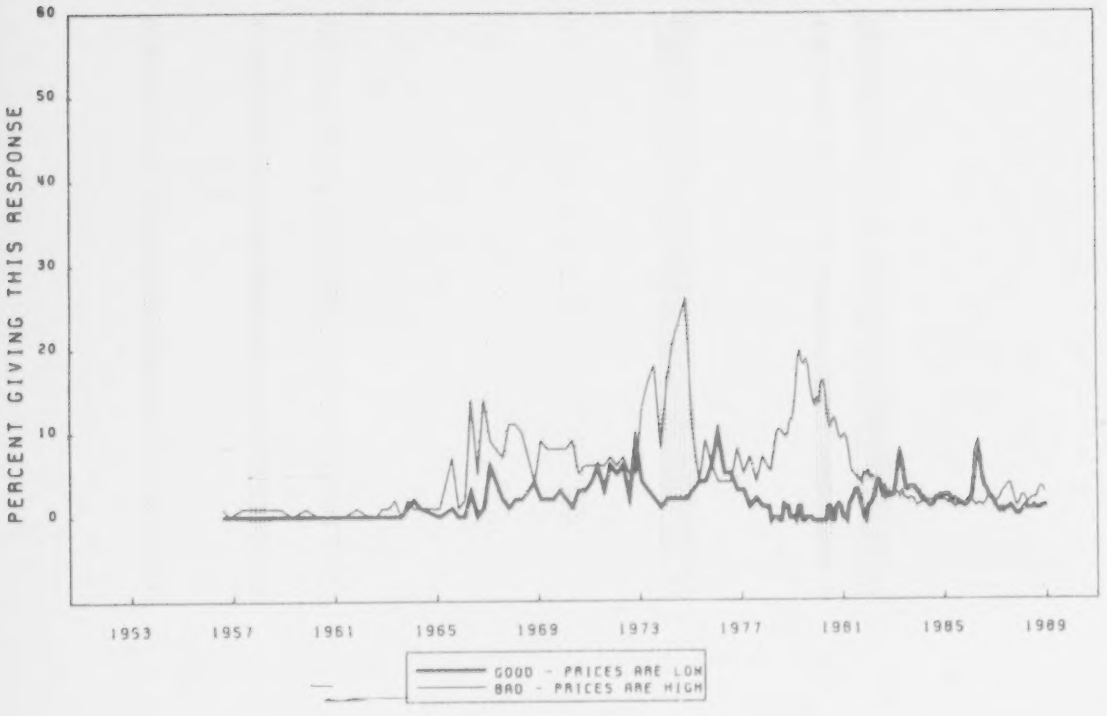


CHART 11B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

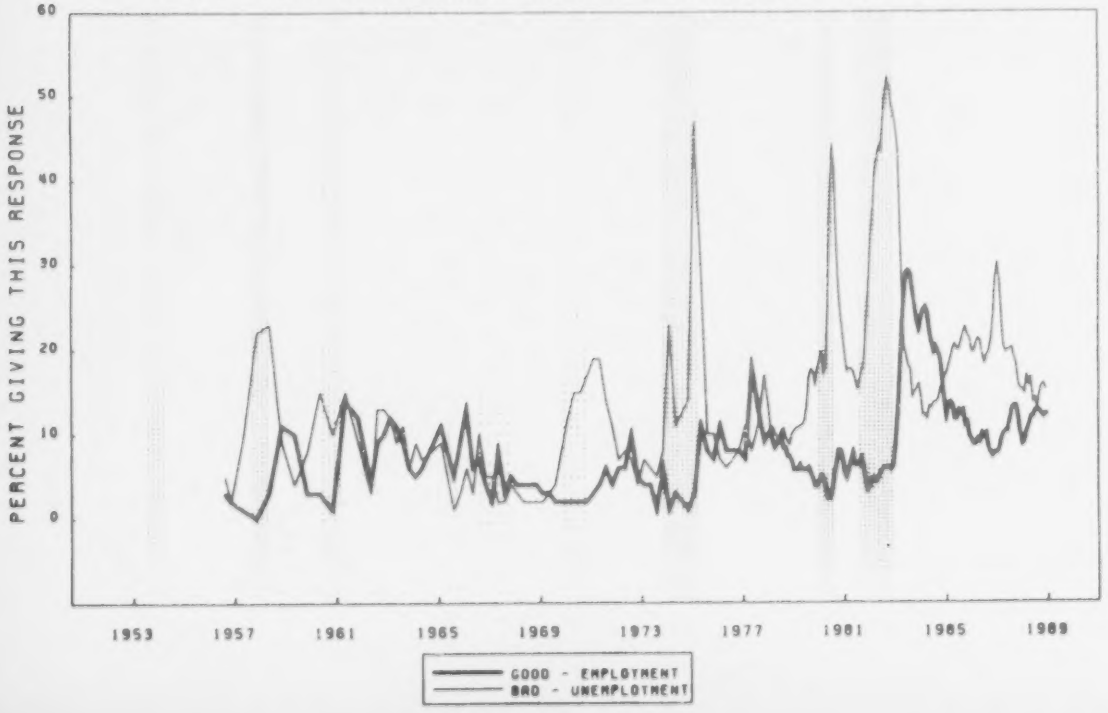


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	1%	2%	3%	2%	1%	2%	3%	2%	2%	4%
Employment	7	9	11	11	11	14	11	13	14	11	12	13	12
Higher consumer demand	1	2	1	2	1	3	1	3	2	2	2	2	2
Lower prices	*	1	1	1	*	1	1	1	*	1	1	1	1
Easier credit	2	1	4	2	2	2	1	1	1	1	1	1	1
Stock market	1	*	1	2	3	2	3	3	1	2	2	1	1
Trade deficit	1	3	2	3	2	1	2	1	1	3	2	1	1
UNFAVORABLE NEWS:													
Government; elections	6	6	6	3	5	5	6	4	3	3	5	6	7
Unemployment	15	16	13	22	12	16	13	14	12	18	17	13	16
Lower consumer demand	4	4	3	1	3	3	2	2	3	3	3	2	2
Higher prices	2	4	1	1	2	2	2	2	2	5	3	2	3
Tighter credit	3	1	2	1	1	4	3	3	7	6	4	2	6
Stock market	32	21	18	10	7	7	6	5	3	2	3	3	4
Trade deficit	7	6	4	3	3	4	3	1	2	1	1	4	2

The questions were: 'During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

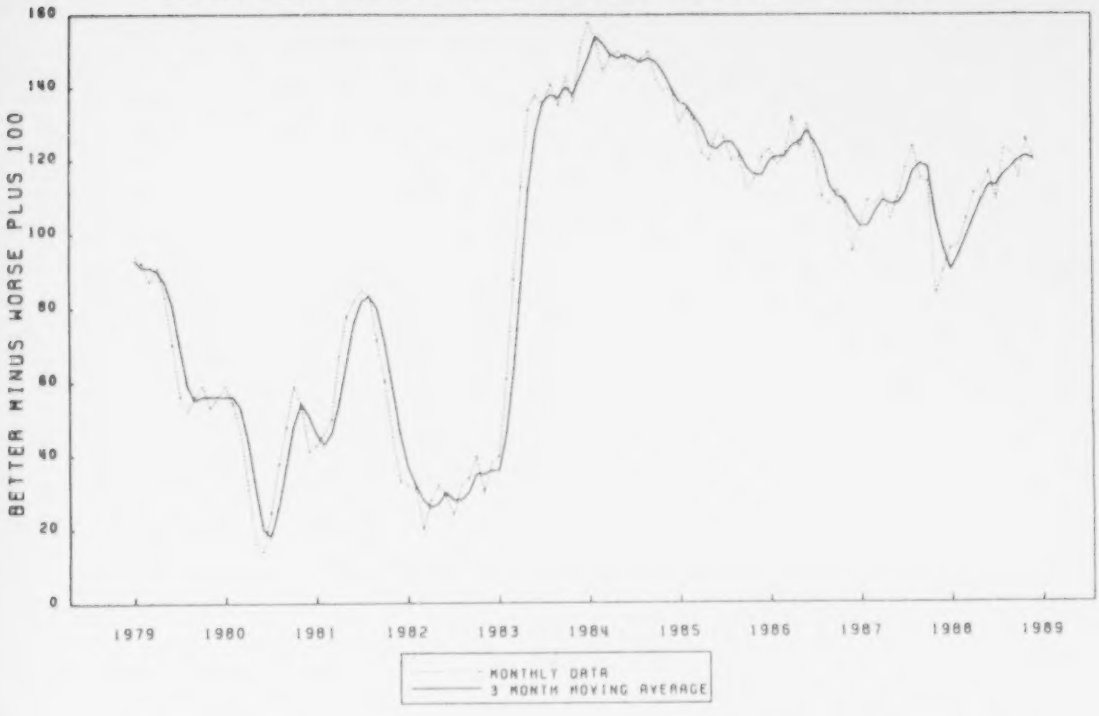


CHART 12 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

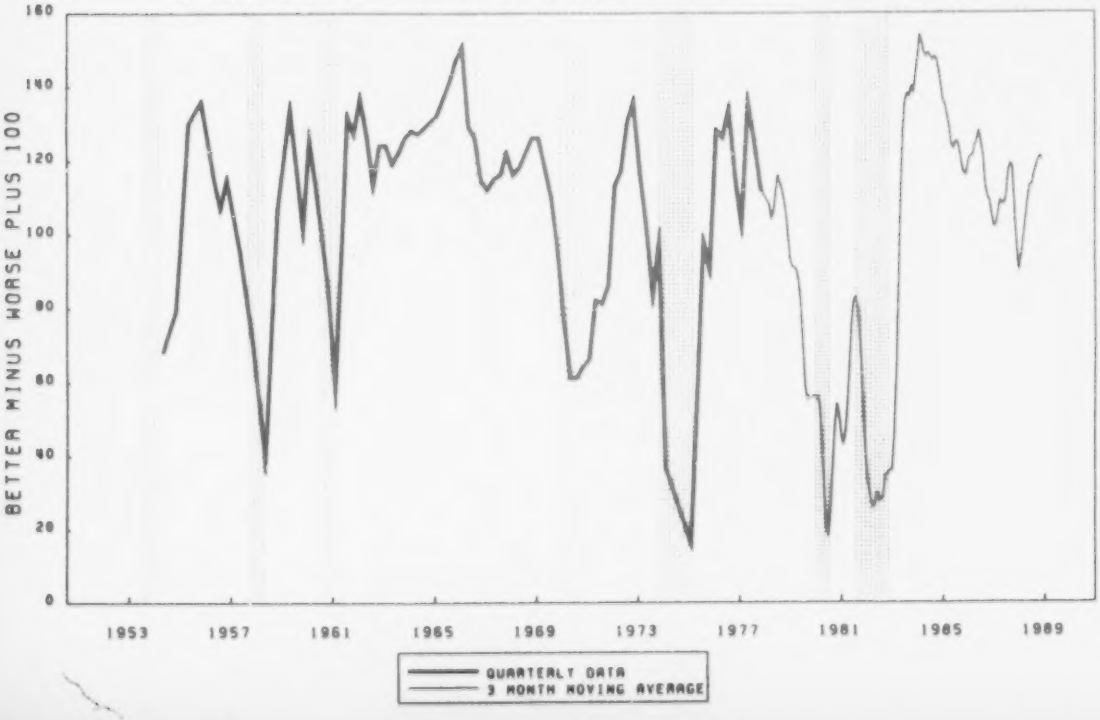


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER NOW	36%	40%	41%	40%	47%	47%	47%	45%	51%	50%	46%	54%	49%
SAME	15	14	13	21	14	17	21	15	18	20	21	17	20
WORSE NOW	46	44	44	36	36	35	30	36	28	28	31	28	29
DK,NA	3	2	2	3	3	1	2	4	3	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

CHART 13 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

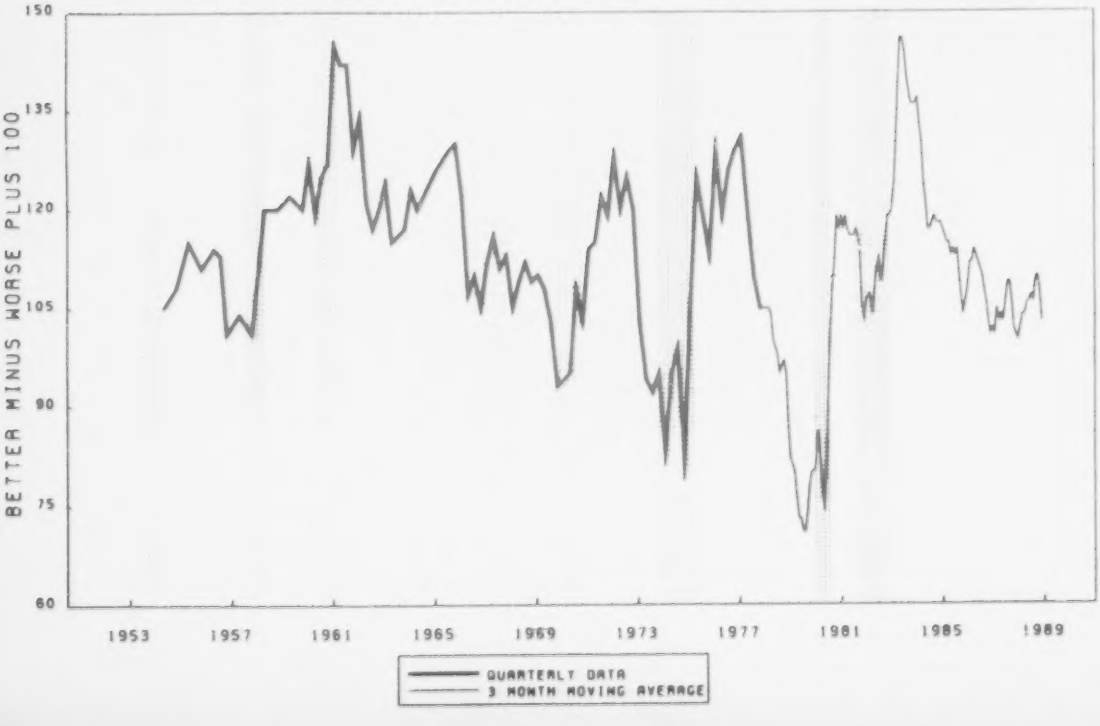


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
BETTER	22%	21%	23%	21%	21%	26%	24%	23%	24%	27%	23%	19%	19%
SAME	53	58	58	58	57	53	54	53	54	55	59	60	59
WORSE	23	19	17	17	18	16	19	18	16	14	14	18	19
DK,NA	2	2	2	4	4	5	3	6	6	4	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

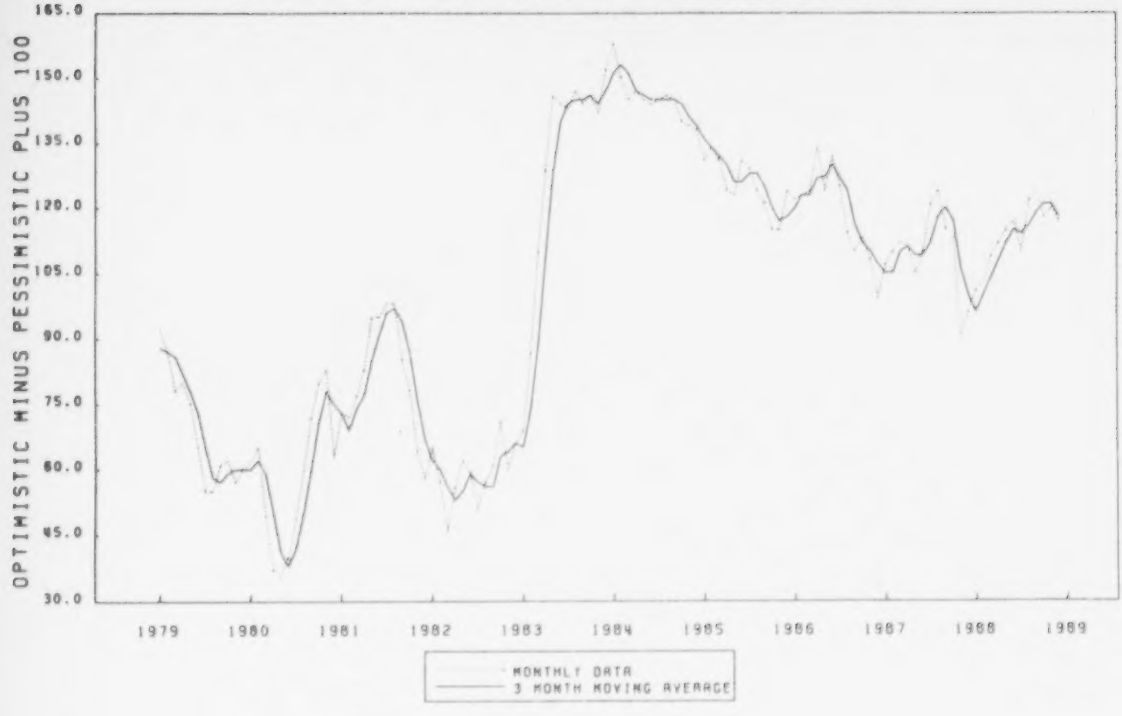


CHART 14 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

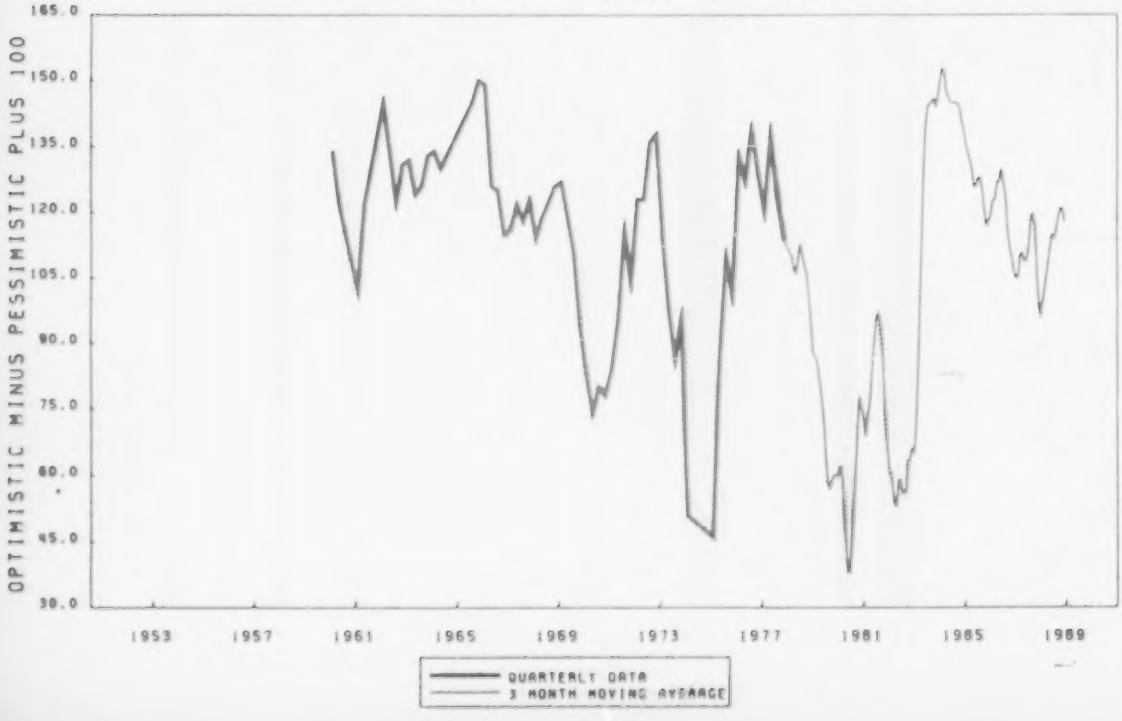


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
TREND:													
Continuous increase (a)	10%	11%	12%	10%	14%	16%	15%	12%	18%	18%	15%	13%	10%
Intermittant increase (b)	24	29	27	30	30	29	30	28	29	31	31	35	35
Remain unchanged (c)	10	8	10	12	9	9	13	9	11	11	13	10	12
Intermittant decline (d)	22	25	24	21	20	20	18	20	17	19	19	21	19
Continuous decline (e)	16	14	12	10	12	10	10	10	8	6	9	7	9
Mixed change (f)	13	10	11	11	9	11	10	12	8	9	7	10	10
DK,NA	5	3	4	6	6	5	4	9	9	6	6	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

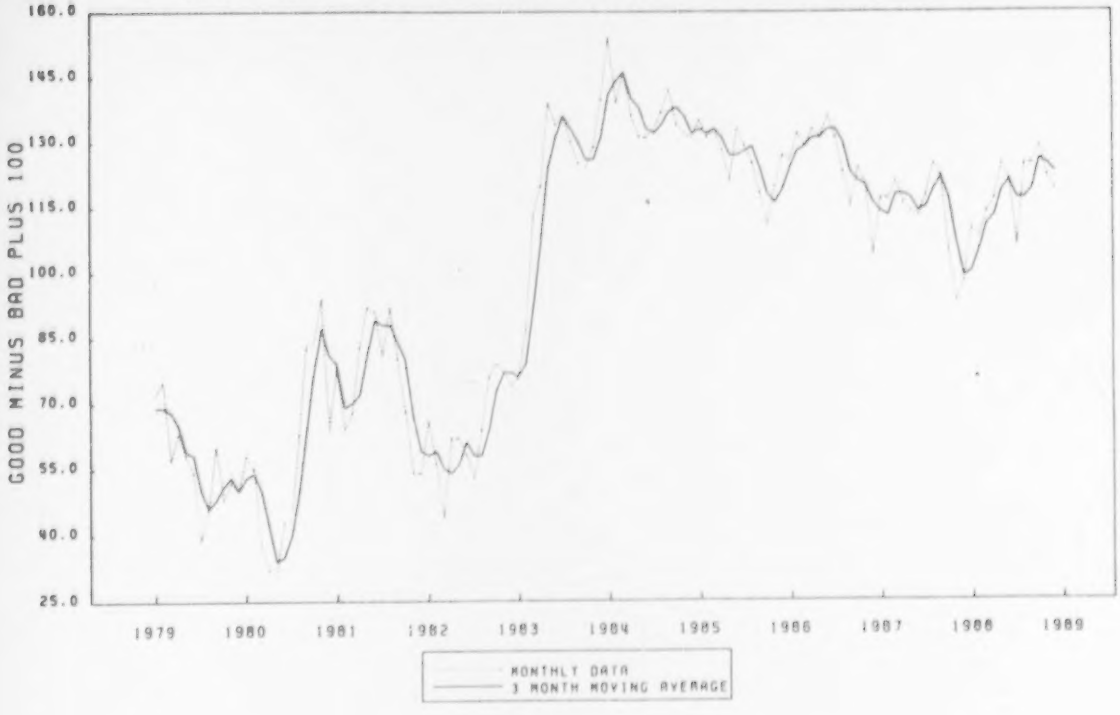


CHART 15 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

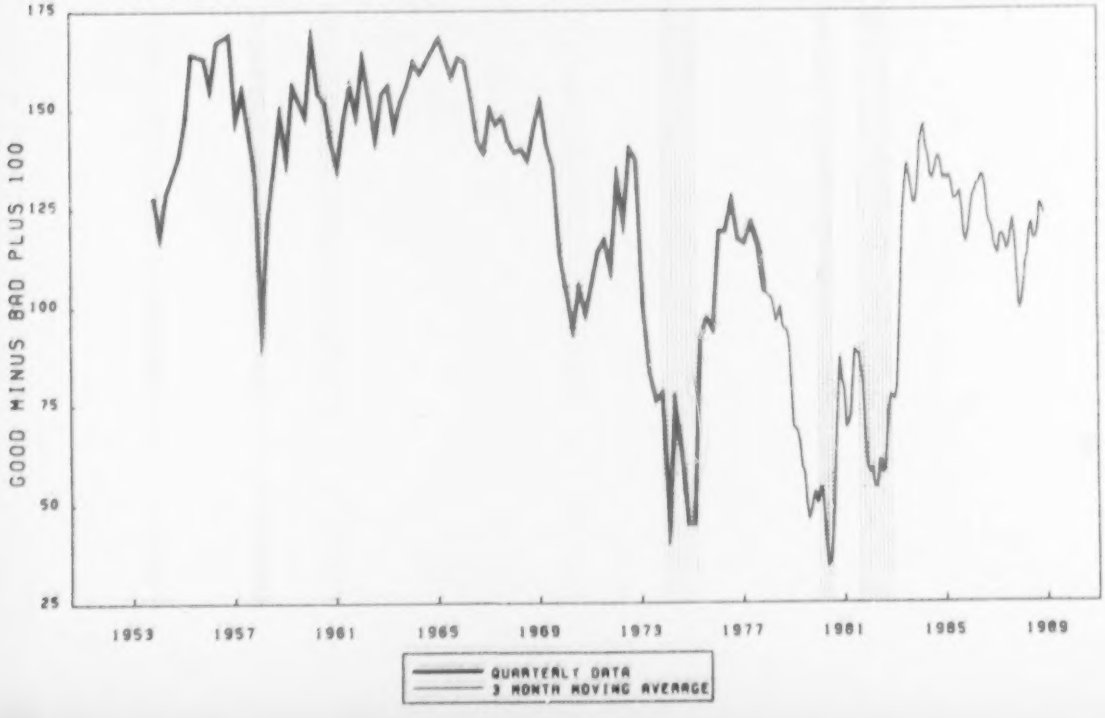


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIMES	41%	47%	45%	47%	50%	54%	54%	44%	52%	53%	54%	53%	52%
UNCERTAIN; GOOD & BAD	4	4	4	4	4	4	3	4	4	5	7	4	5
BAD TIMES	43	37	37	33	33	29	33	38	27	28	25	31	33
DON'T KNOW	6	7	7	7	9	8	6	9	11	9	8	7	5
NOT ASCERTAINED	6	5	7	9	4	5	4	5	6	5	6	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

CHART 16 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

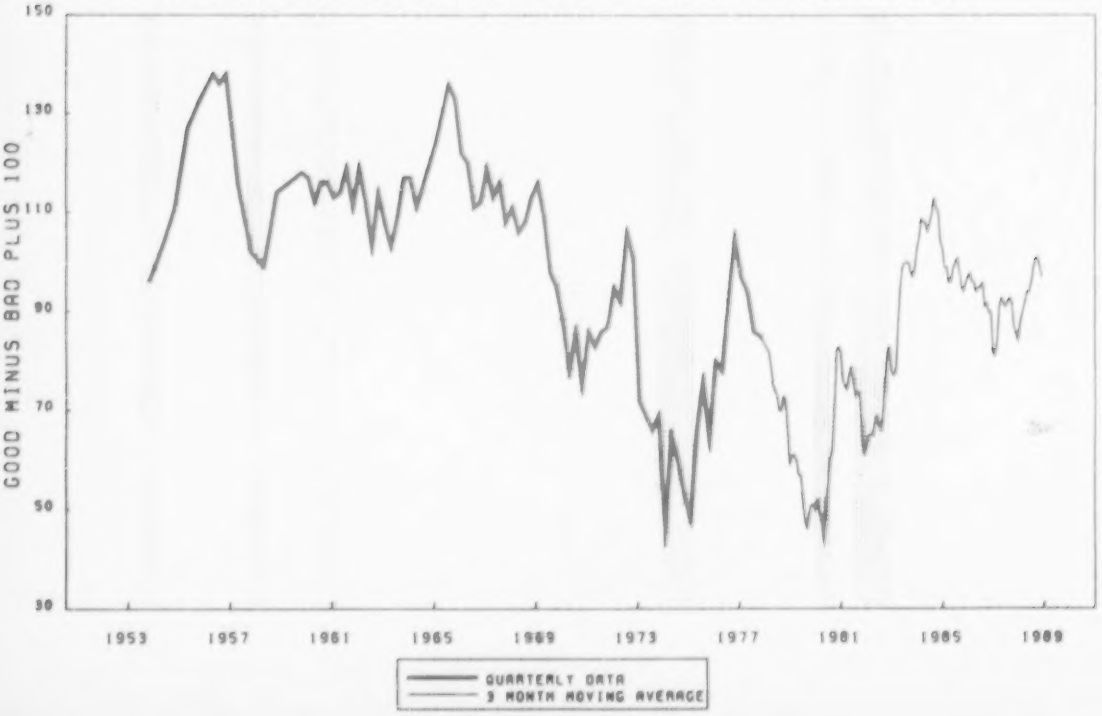


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIMES	33%	34%	35%	39%	36%	41%	36%	39%	43%	41%	40%	40%	41%
UNCERTAIN; GOOD & BAD	16	12	15	14	15	13	16	11	16	17	12	14	12
BAD TIMES	44	50	45	43	47	43	41	43	38	39	43	43	43
NOT ASCERTAINED	7	4	5	4	2	3	7	7	3	3	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

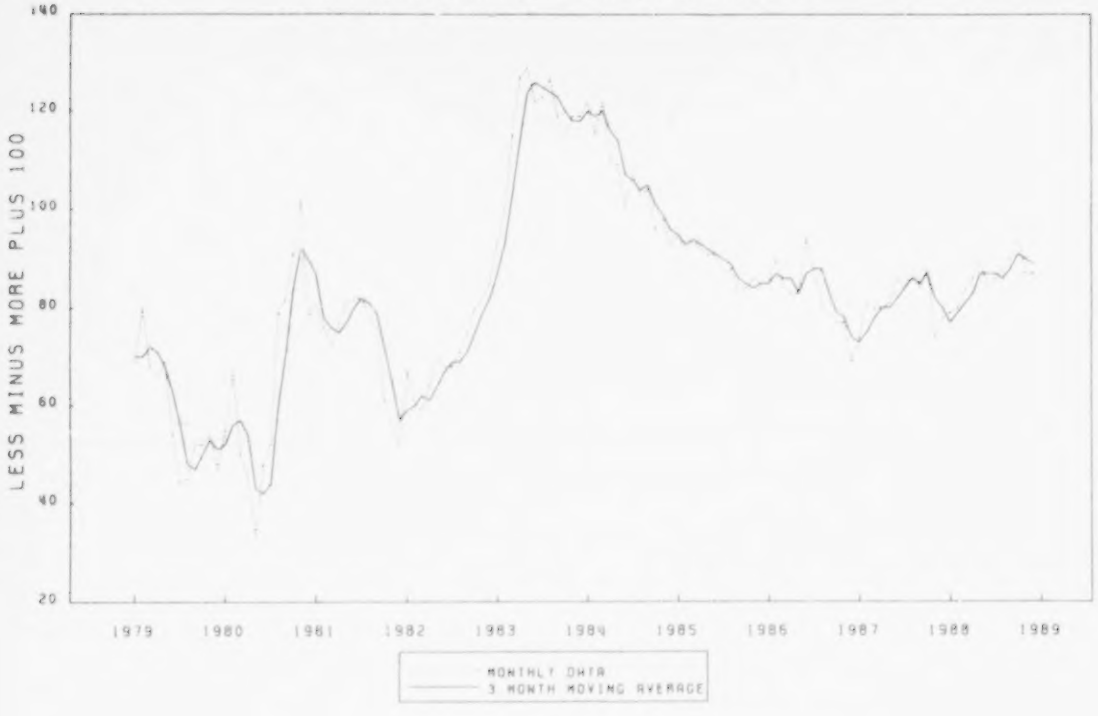


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

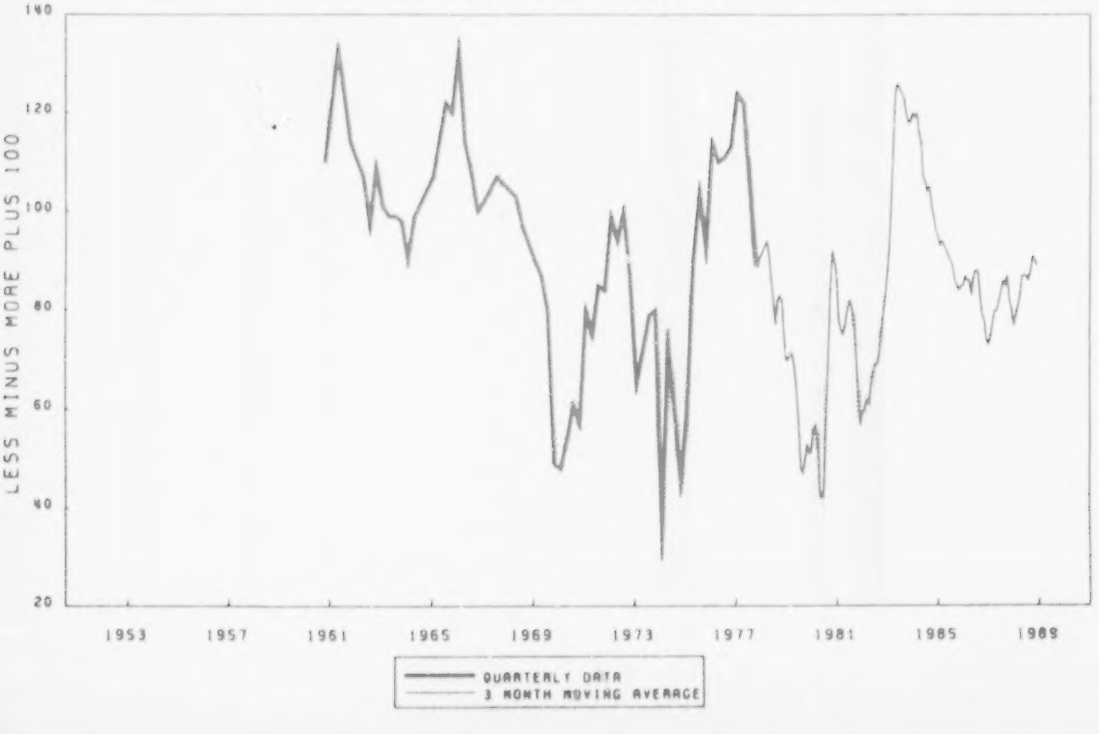


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
LESS	12%	12%	12%	12%	14%	11%	15%	15%	15%	17%	16%	14%	15%
SAME	51	54	53	58	56	67	53	54	53	52	60	57	55
MORE	34	33	33	28	28	21	31	29	27	27	22	27	28
DK,NA	3	1	2	2	2	1	1	2	5	4	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES

EXPECTED CHANGE IN INTEREST RATES

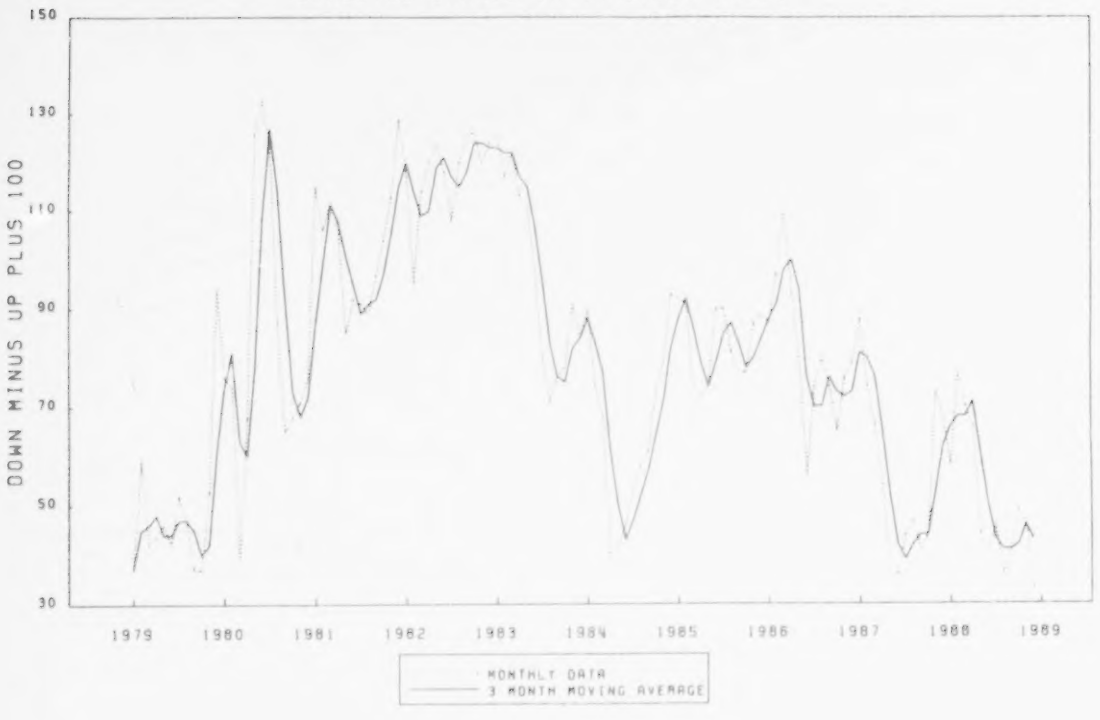


CHART 18 - HISTORICAL SERIES

EXPECTED CHANGE IN INTEREST RATES

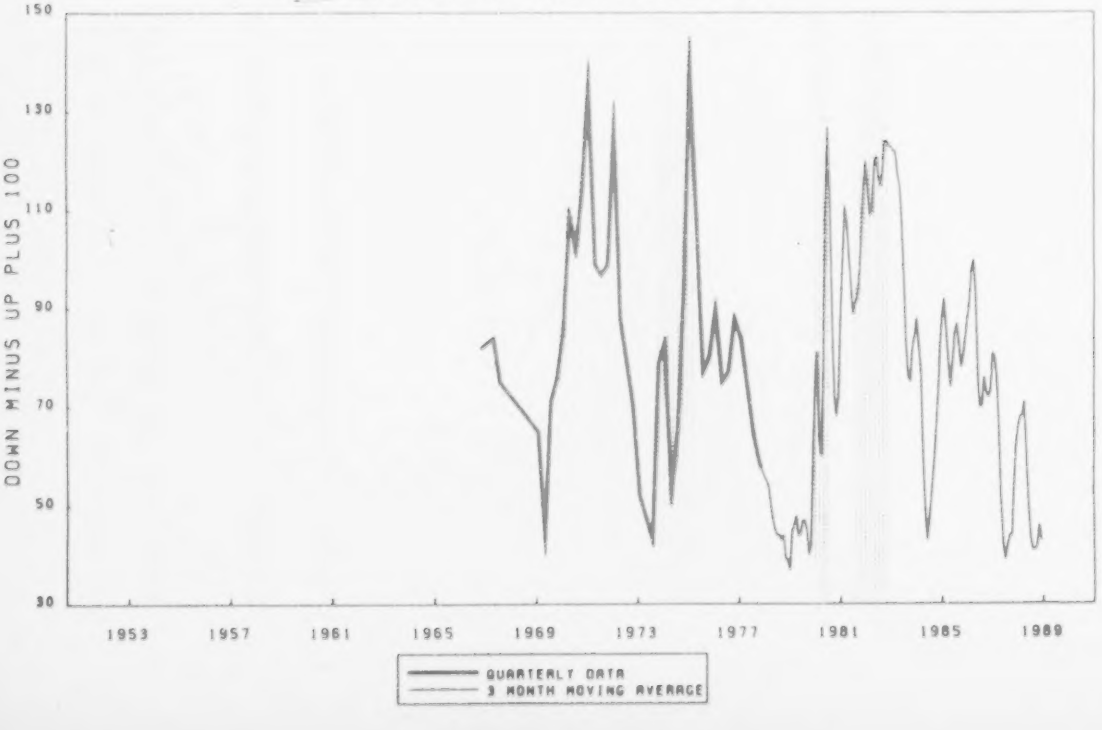


TABLE 18

EXPECTED CHANGE IN INTERST RATES

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GO UP	52%	54%	44%	49%	48%	64%	67%	65%	71%	67%	62%	62%	74%
STAY THE SAME	26	32	32	29	35	26	24	22	19	21	24	27	16
GO DOWN	20	12	21	19	14	8	7	11	7	8	11	9	7
DK,NA	2	2	3	3	3	2	2	2	3	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

CHART 19 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

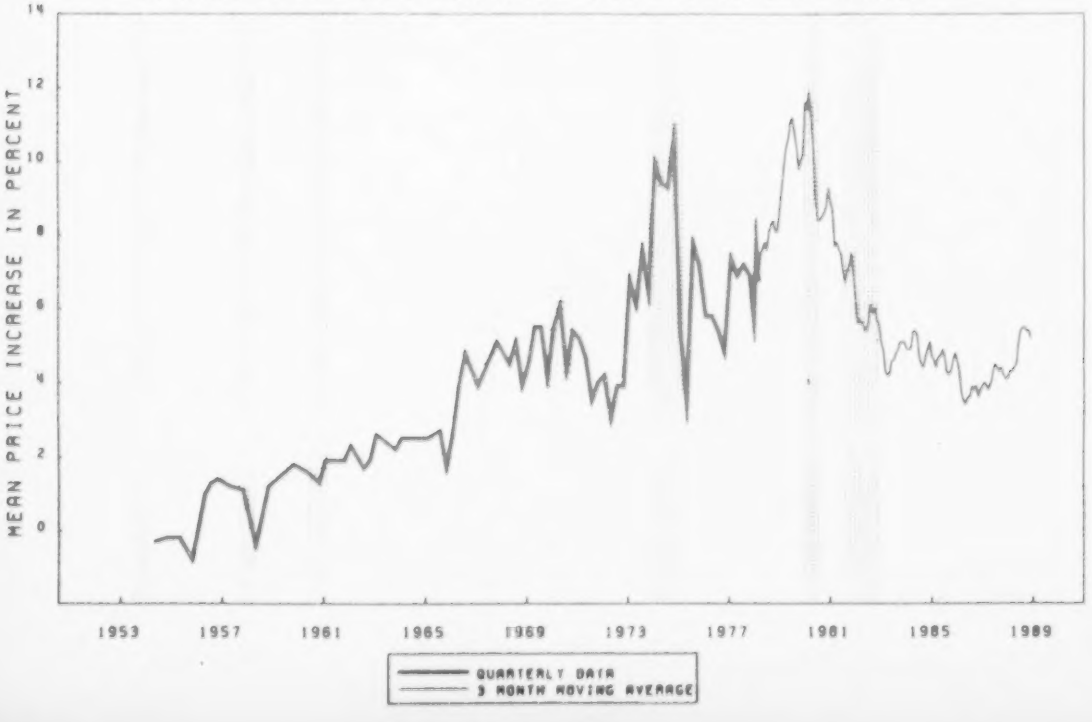


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
SAME OR DOWN	21%	23%	17%	18%	14%	13%	13%	8%	8%	8%	9%	11%	10%
WILL GO UP BY:													
1-2%	19	16	21	19	19	19	18	15	15	16	20	15	16
3-4%	21	21	23	24	25	26	20	23	23	25	21	28	26
5%	15	17	16	19	18	18	20	19	22	21	20	18	20
6-9%	8	6	6	6	7	7	8	12	9	10	8	8	8
10-14%	8	7	7	6	7	6	9	12	8	7	9	9	11
15% or more	3	6	5	3	4	6	6	6	6	6	5	5	4
DK how much up	4	3	4	5	5	4	5	5	8	6	6	5	4
DK,NA	1	1	1	*	1	1	1	*	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.6	5.4	5.5	5.2	5.4	5.0
VARIANCE	26	35	40	26	31	41	60	37	38	52	40	55	32
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

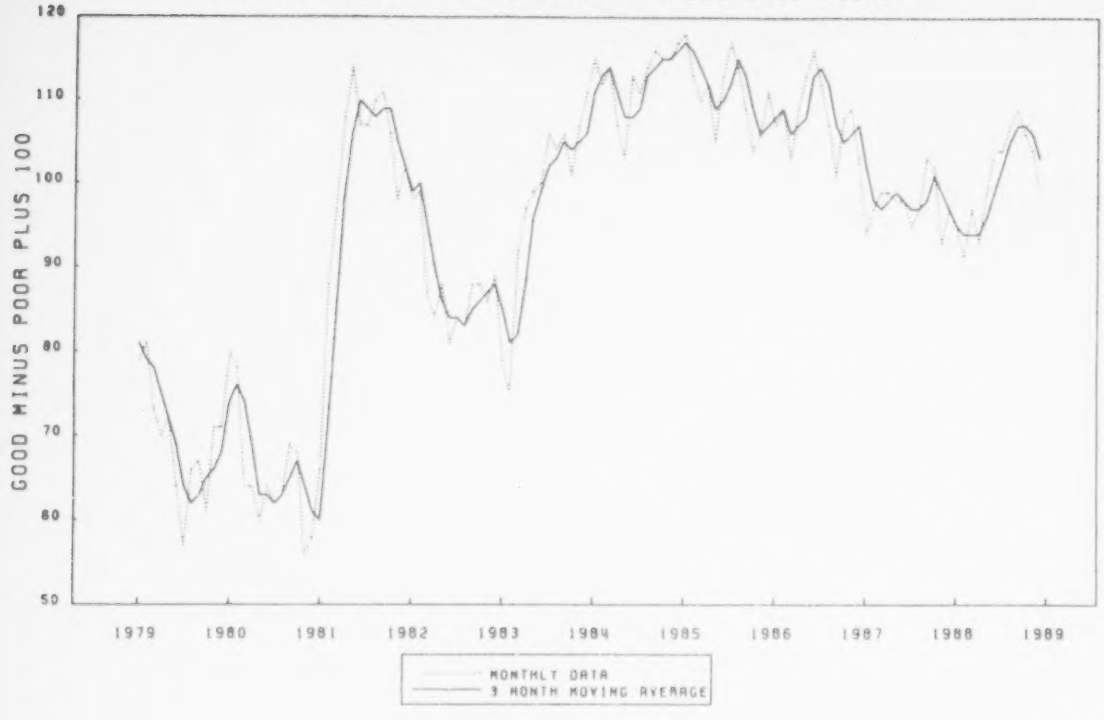


CHART 20 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

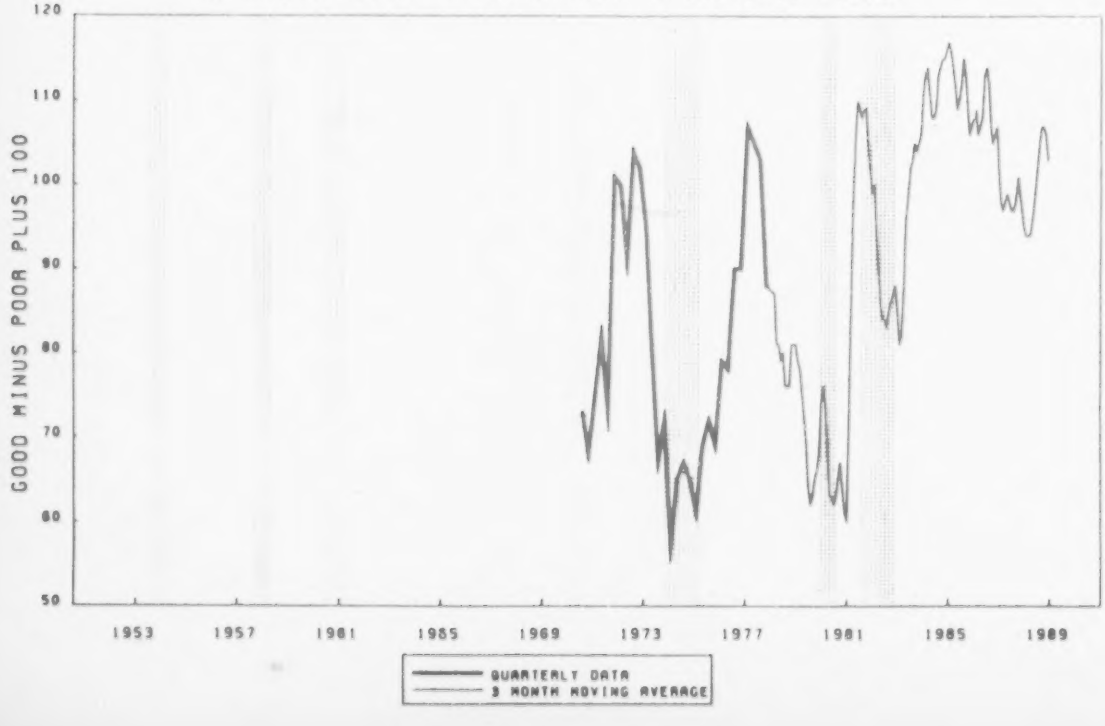


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
A GOOD JOB	19%	17%	18%	23%	18%	21%	23%	25%	28%	29%	26%	27%	20%
ONLY FAIR	56	60	53	49	56	56	57	51	48	49	51	49	57
A POOR JOB	22	22	27	26	25	22	19	21	21	20	20	23	21
DK,NA	3	1	2	2	1	1	1	3	3	2	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

CHART 21 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

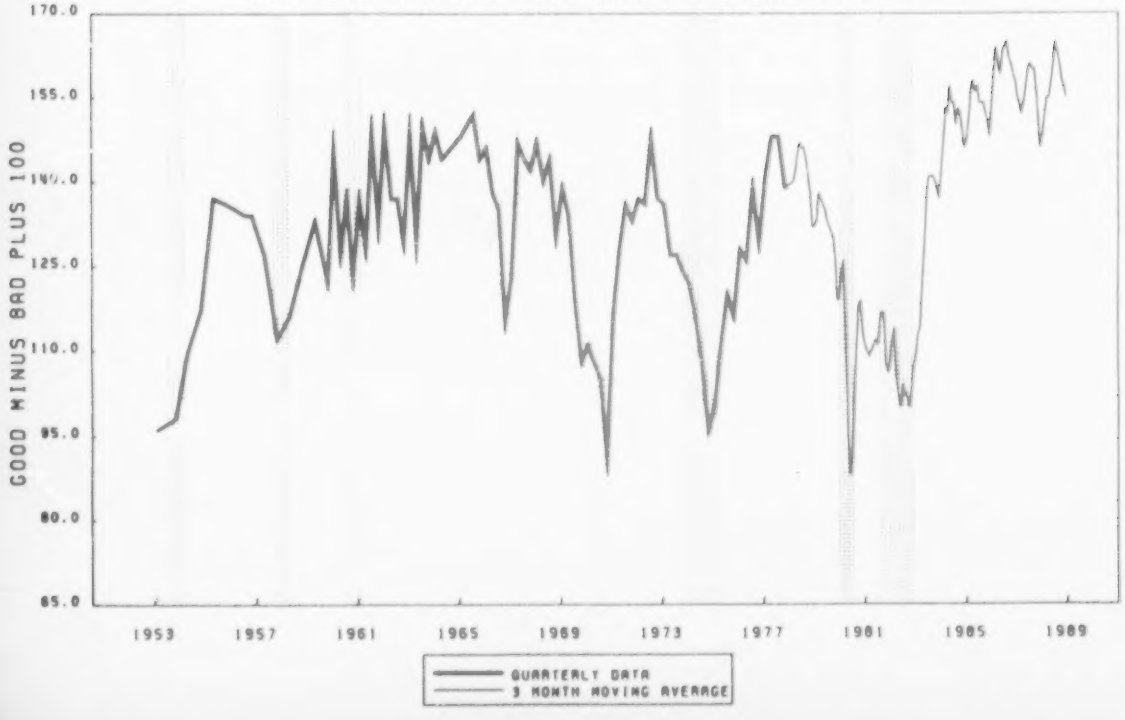


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY	69%	72%	72%	71%	73%	79%	74%	79%	74%	71%	73%	73%	70%
UNCERTAIN, DEPENDS	9	10	11	14	8	7	15	9	12	15	12	10	10
BAD TIME TO BUY	22	18	17	15	19	14	11	12	14	14	15	17	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

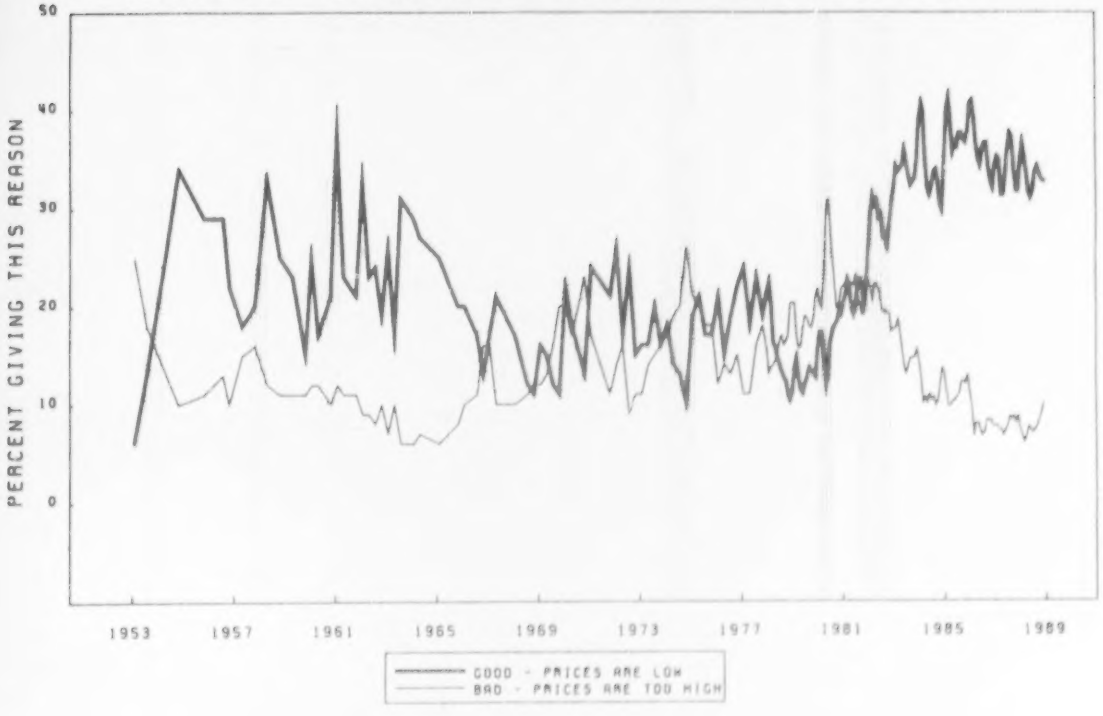


CHART 22B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

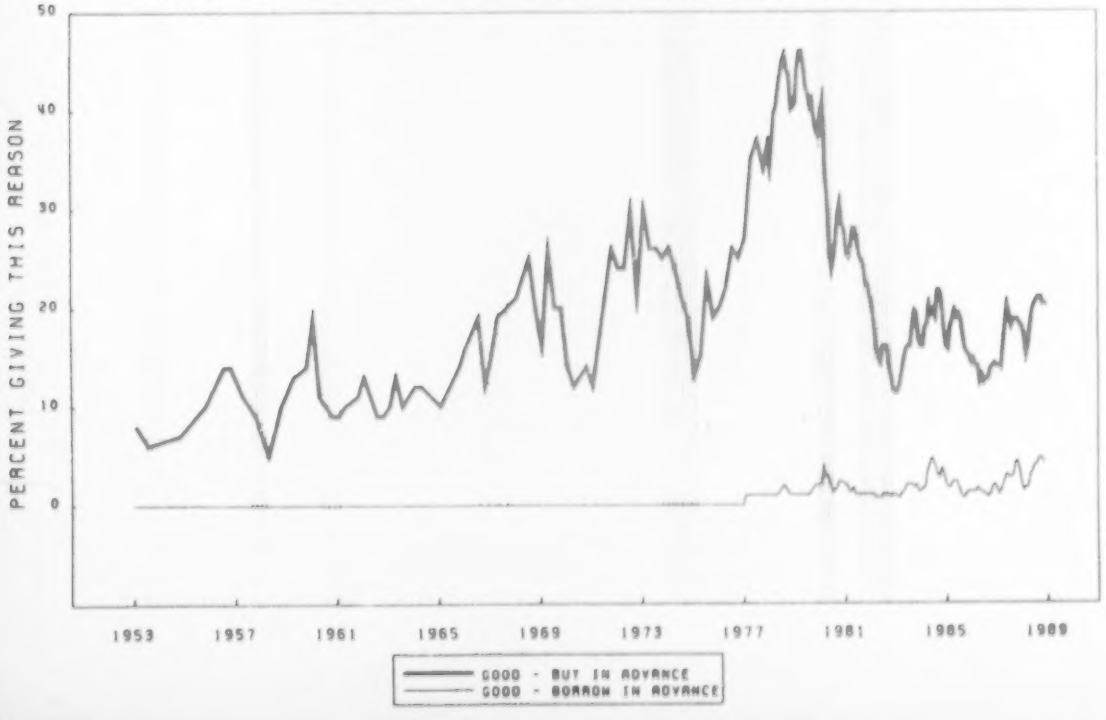


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	37%	37%	36%	33%	32%	30%	31%	34%	36%	33%	32%	34%	32%
Prices won't come down; are going higher	22	16	14	15	19	20	20	21	21	21	21	19	21
Interest rates are low	8	6	8	10	9	6	8	7	7	7	7	8	4
Borrow-in-advance of rising interest rates	1	2	1	2	2	5	3	4	5	5	4	4	5
Times are good; prosperity	4	6	7	8	10	7	7	10	7	5	8	5	7
BAD TIME TO BUY:													
Prices are high	10	5	5	8	7	8	7	6	9	8	8	11	11
Interest rates are high; credit is tight	6	4	5	4	4	4	2	2	3	3	4	3	5
Times are bad; can't afford to buy	4	8	6	5	6	3	2	3	3	2	4	3	3
Bad times ahead; uncertain future	5	4	4	2	4	2	1	3	3	3	2	1	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

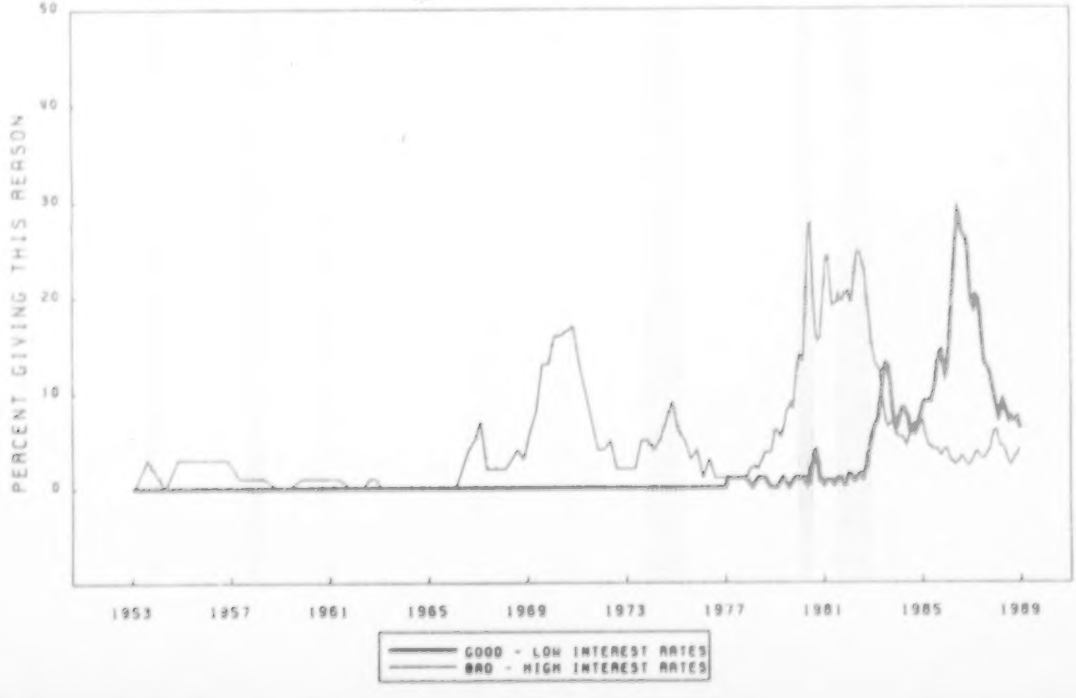


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

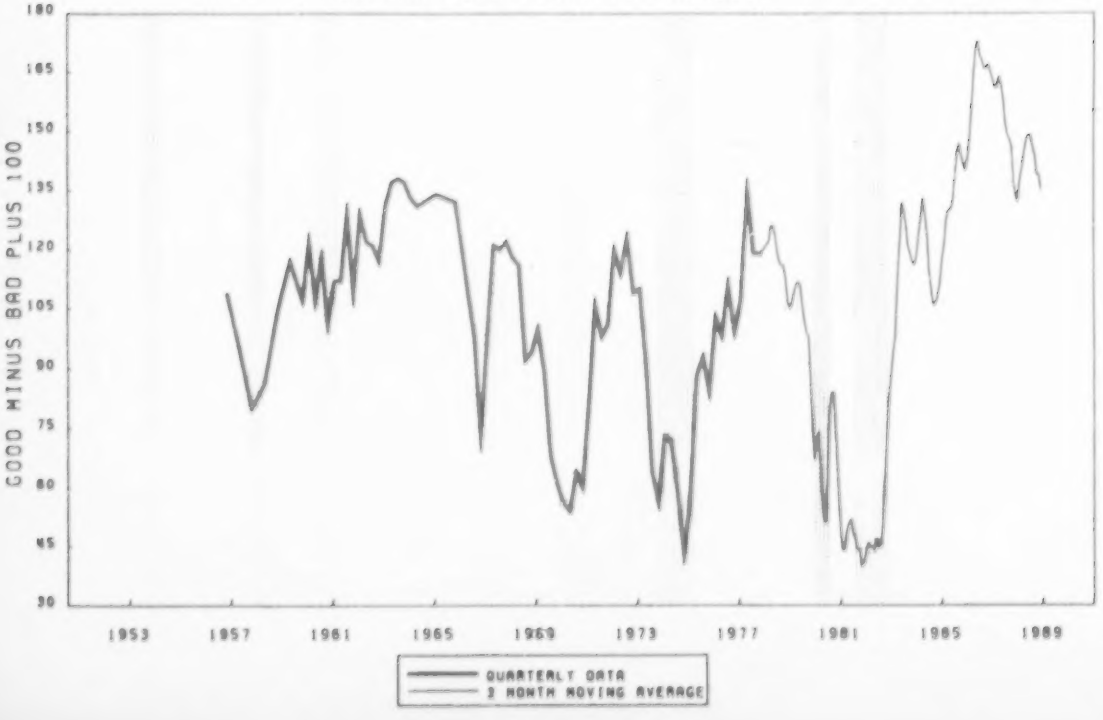


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY	68%	67%	67%	71%	72%	72%	73%	72%	67%	70%	64%	67%	63%
UNCERTAIN, DEPENDS	3	3	3	6	5	3	5	4	6	5	5	4	7
BAD TIME TO BUY	29	30	30	23	23	25	22	24	27	25	31	29	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

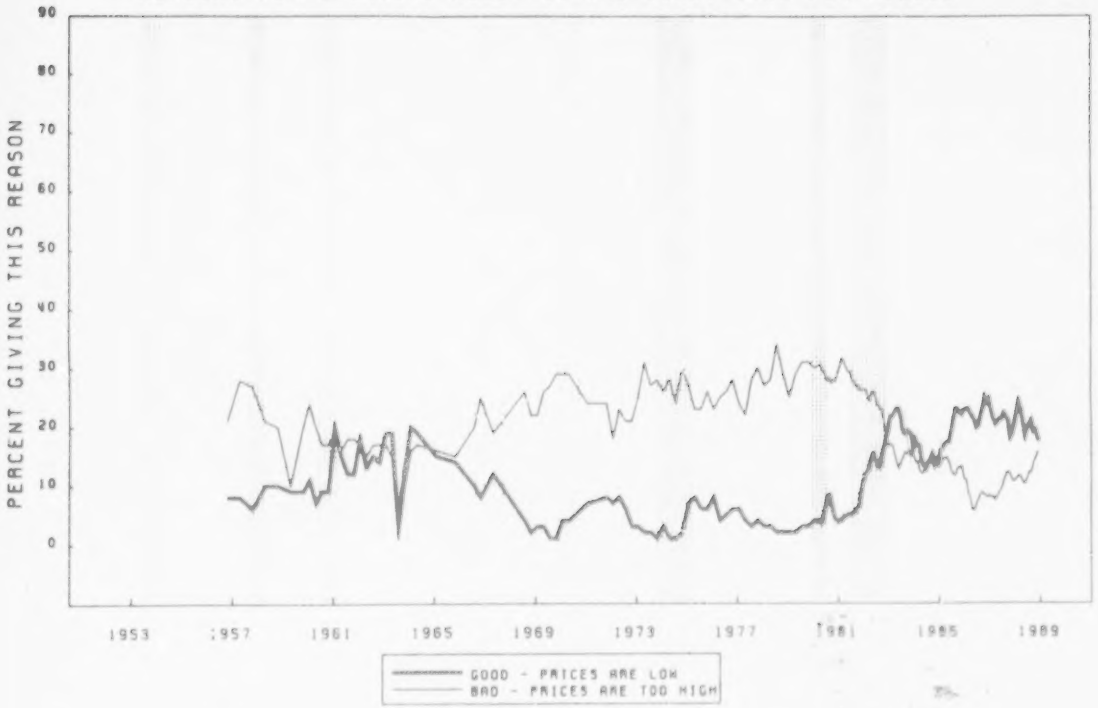


CHART 24B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

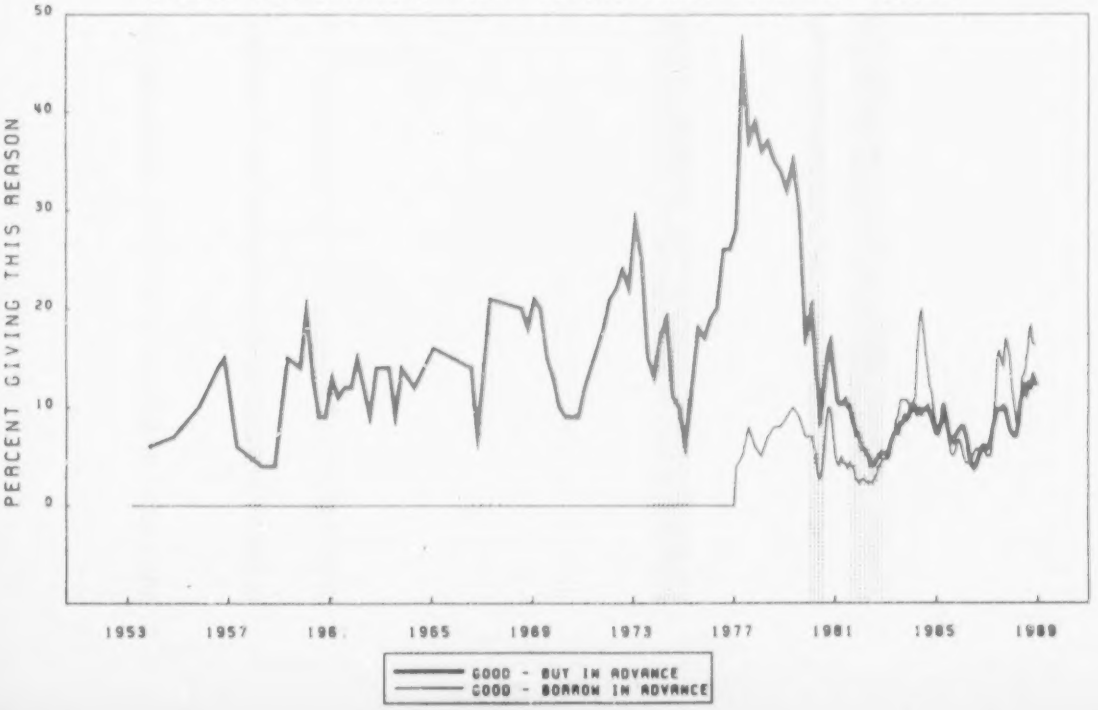


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	24%	22%	27%	20%	16%	19%	24%	18%	21%	18%	19%	16%
Prices won't come down; are going higher	9	7	5	9	10	12	12	12	10	15	11	13	13
Interest rates are low	40	35	44	47	40	37	34	30	28	22	25	33	19
Borrow-in-advance of rising interest rates	12	13	6	7	10	14	15	11	19	21	15	13	21
Good investment	9	7	4	6	7	10	6	7	9	9	9	10	8
Times are good; prosperity	3	3	4	4	4	5	5	6	5	4	4	3	3
BAD TIME TO BUY:													
Prices are high	10	11	13	11	10	10	11	13	13	11	18	15	14
Interest rates are high; credit is tight	13	13	15	9	10	12	10	11	14	14	16	12	18
Times are bad; can't afford to buy	7	10	7	8	8	6	4	4	4	4	5	6	3
Bad times ahead; uncertain future	7	5	4	3	4	3	3	2	3	2	3	3	5

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

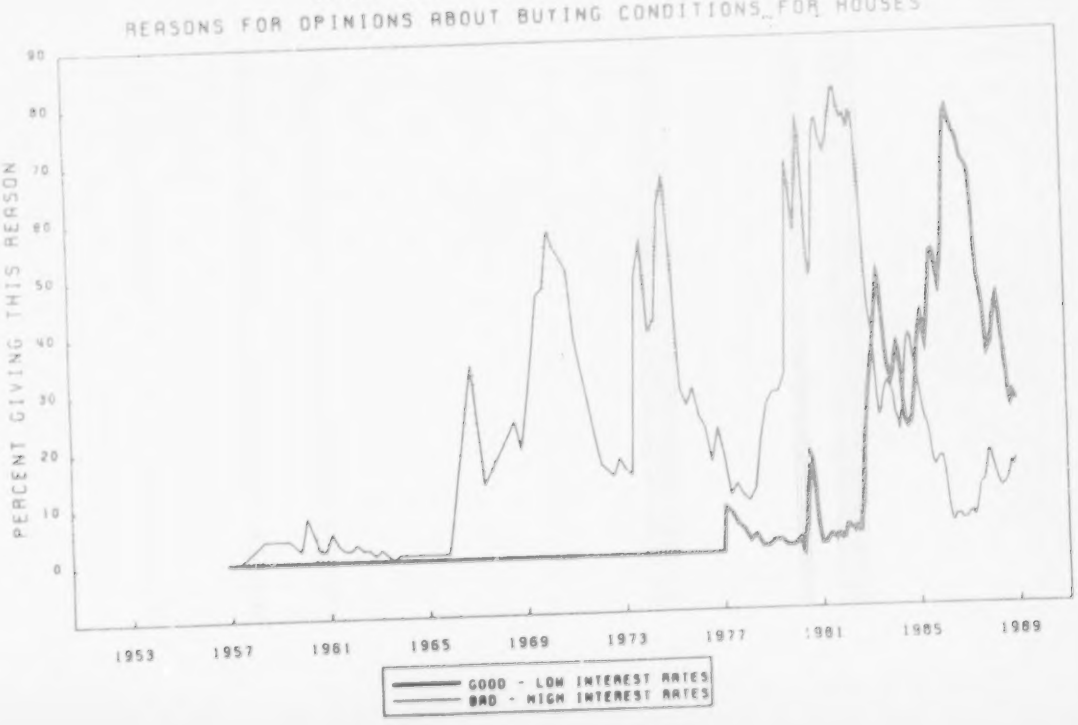


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

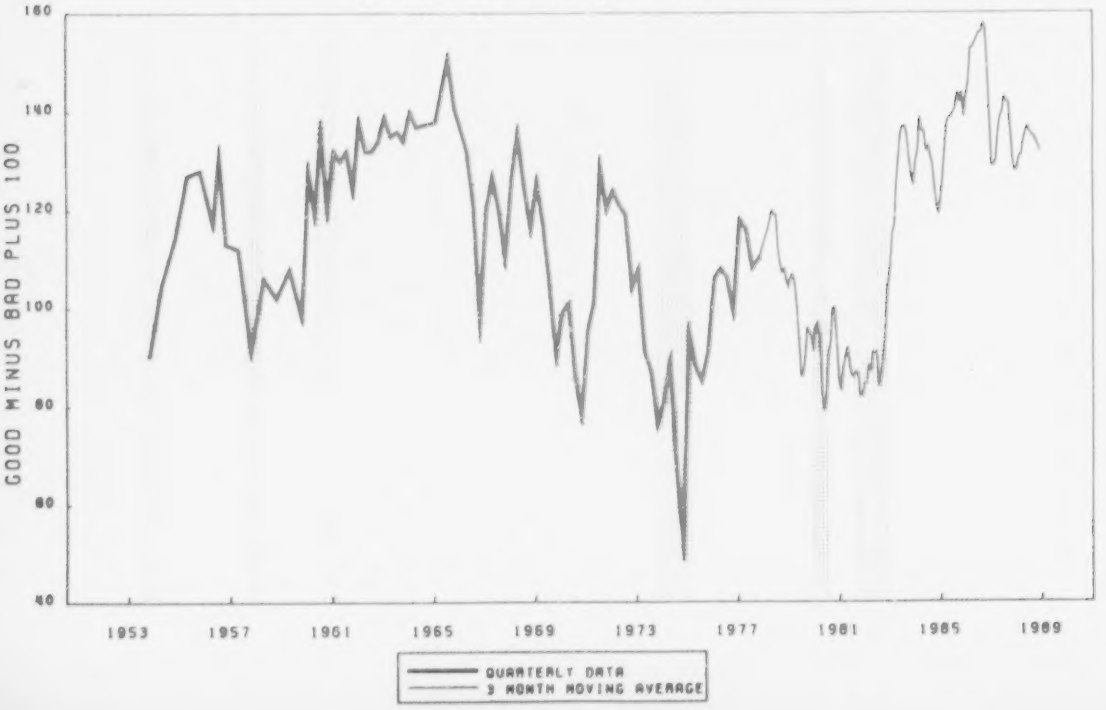


TABLE 25

BUYING CONDITIONS FOR CARS

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY	64%	59%	59%	62%	63%	64%	62%	62%	62%	61%	60%	61%	61%
UNCERTAIN; DEPENDS	6	11	13	8	12	10	11	10	12	13	12	9	10
BAD TIME TO BUY	30	30	28	30	25	26	27	28	26	26	28	30	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	500	504	500	500	501	500	500	501	508	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

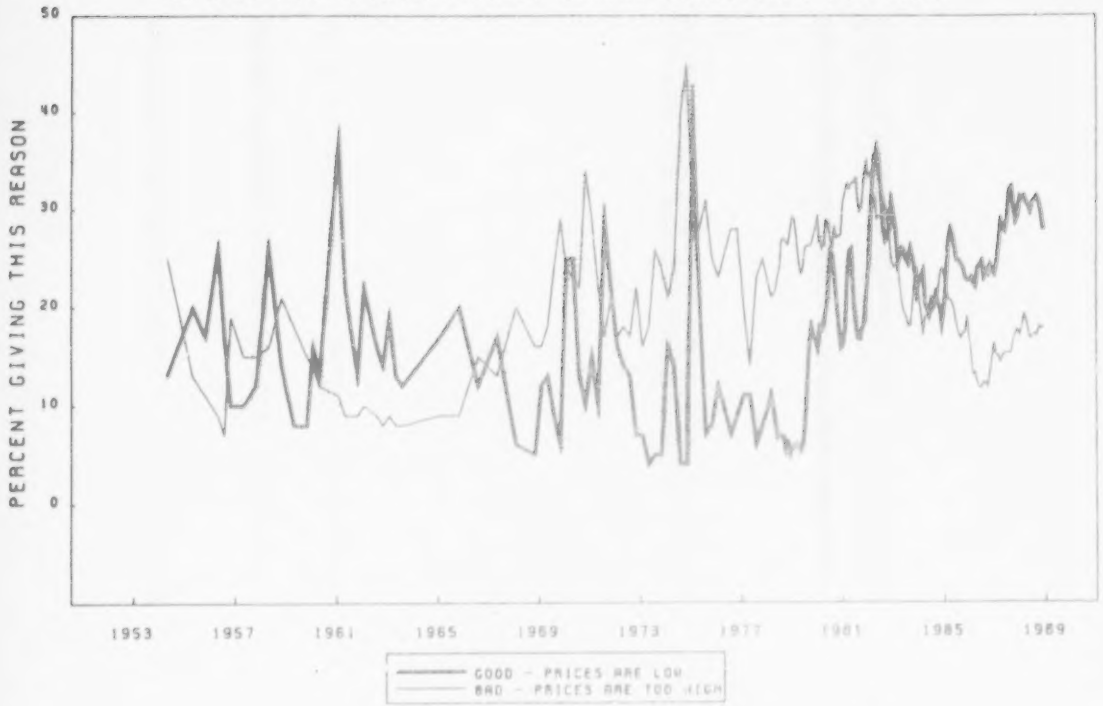


CHART 26B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

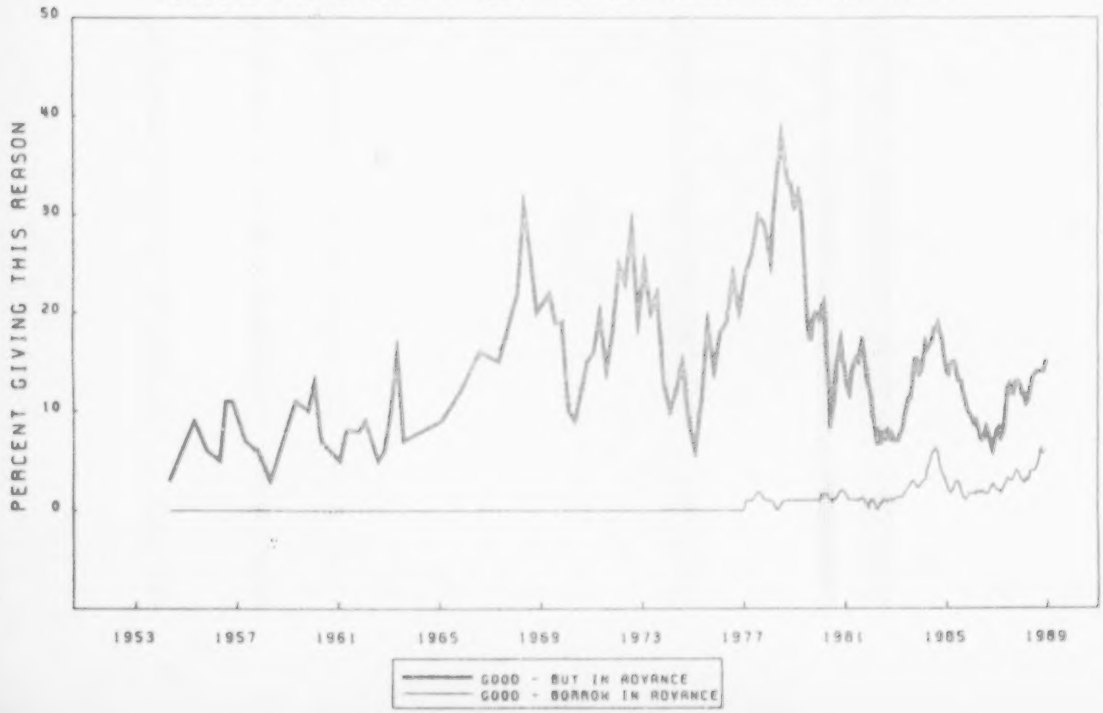


TABLE 26

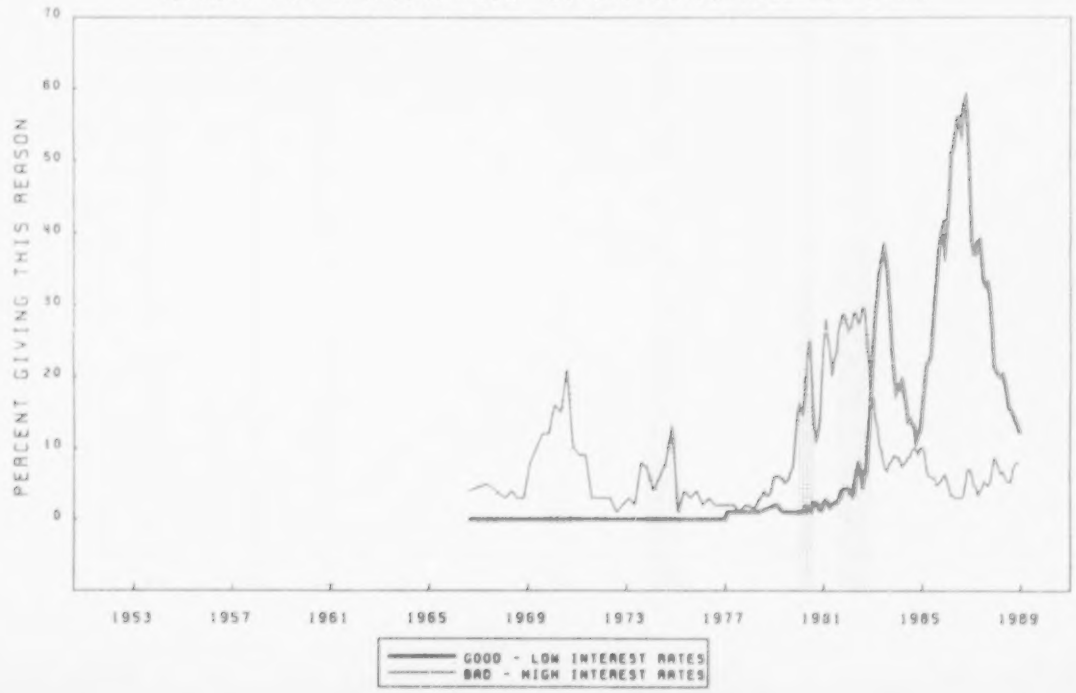
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept 1988	Oct. 1988	Nov. 1988	Dec. 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	32%	30%	32%	30%	29%	30%	33%	30%	31%	31%	27%	26%
Prices won't come down; are going higher	14	11	10	11	12	14	14	13	15	14	13	15	17
Interest rates are low	21	20	20	20	21	17	16	14	16	14	12	14	11
Borrow-in-advance of rising interest rates	2	4	2	4	3	5	4	3	6	6	7	4	7
Times are good; prosperity	2	3	3	4	3	4	3	5	4	4	4	4	4
BAD TIME TO BUY:													
Prices are high	17	17	20	21	15	17	18	16	18	17	19	17	18
Interest rates are high; credit is tight	9	5	8	6	6	6	4	6	6	9	8	7	9
Times are bad; can't afford to buy	4	5	4	3	5	3	1	3	4	2	3	2	4
Bad times ahead; uncertain future	4	3	2	2	2	2	2	2	2	2	1	2	3
Poor selection; quality	4	4	3	3	2	2	3	3	2	3	5	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

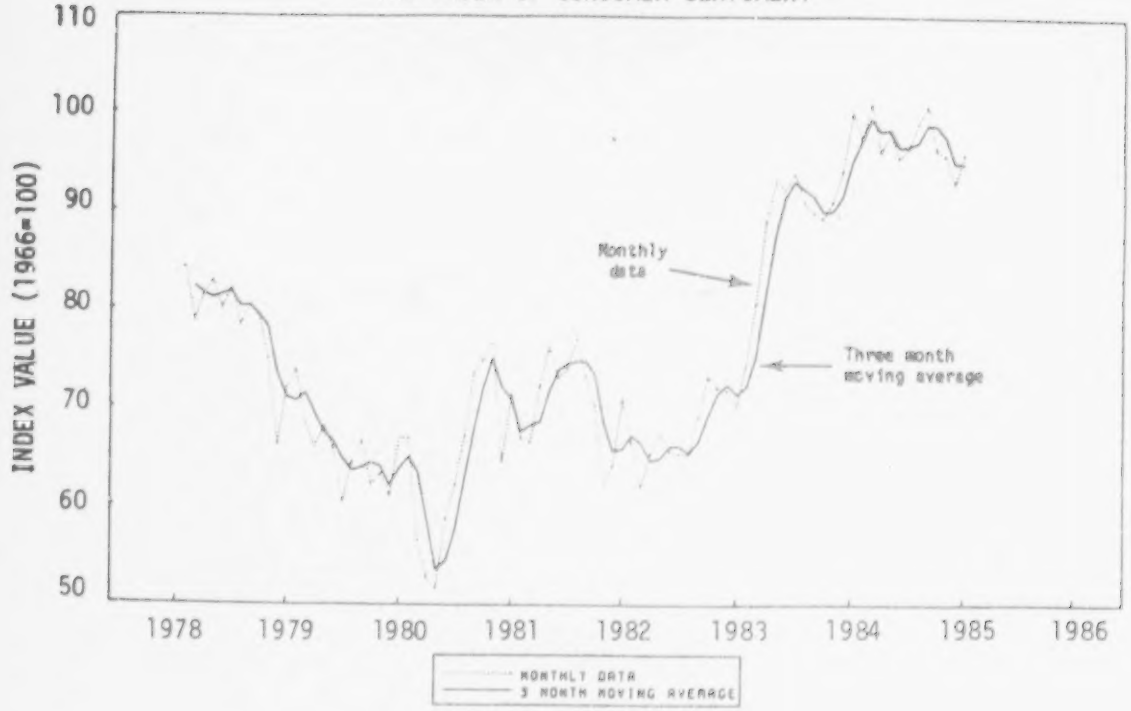
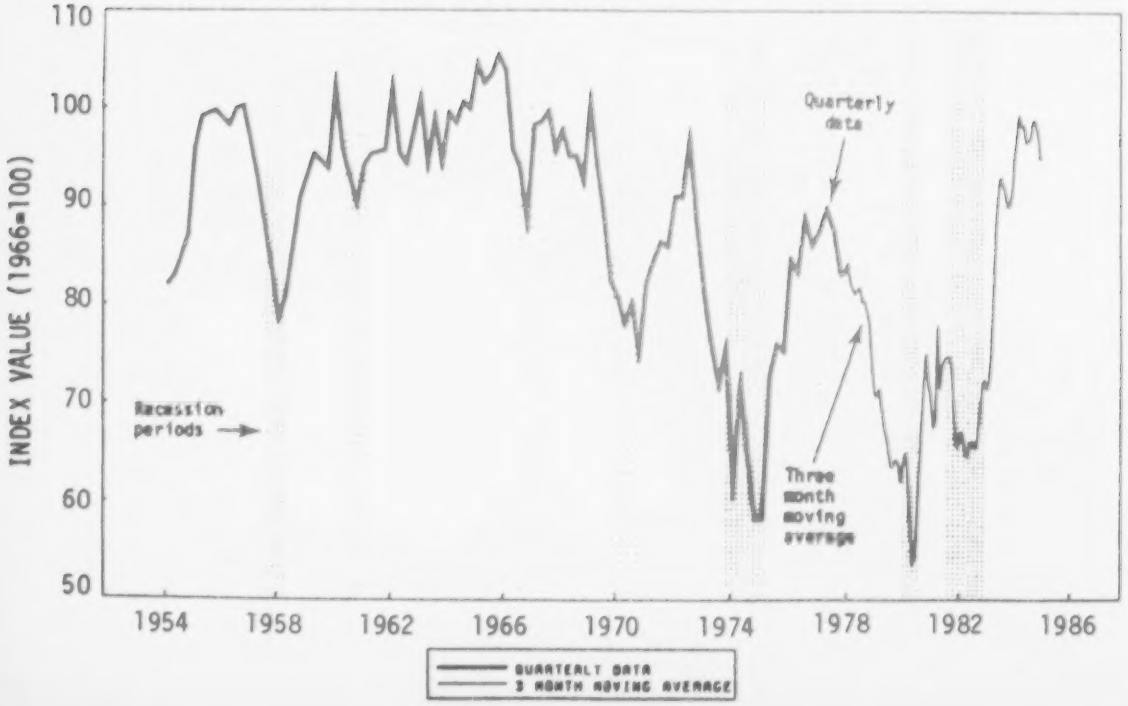


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.